

ADMINISTRATION

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$38,891,200	\$30,625,600	\$30,346,600	\$30,346,600	\$30,336,600	- \$8,554,600	- 22.0%
FED	300,460,600	227,849,500	236,679,500	236,679,500	236,679,500	- 63,781,100	- 21.2
PR	325,546,000	602,936,200	598,980,100	598,980,100	598,529,500	272,983,500	83.9
SEG	<u>102,642,200</u>	<u>103,287,800</u>	<u>135,070,500</u>	<u>135,070,500</u>	<u>135,070,500</u>	<u>32,428,300</u>	31.6
TOTAL	\$767,540,000	\$964,699,100	\$1,001,076,700	\$1,001,076,700	\$1,000,616,100	\$233,076,100	30.4%

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	127.91	145.11	96.21	96.21	96.21	- 31.70
FED	92.11	70.01	70.51	70.51	70.51	- 21.60
PR	663.96	874.51	798.56	798.56	798.56	134.60
SEG	<u>16.10</u>	<u>14.10</u>	<u>16.10</u>	<u>16.10</u>	<u>16.10</u>	<u>0.00</u>
TOTAL	900.08	1,103.73	981.38	981.38	981.38	81.30

Budget Change Items

General Programs

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$47,400		\$47,400	
GPR	\$863,100	0.00	- \$42,400	0.00	\$820,700	0.00
FED	- 621,500	- 7.00	0	0.00	- 621,500	- 7.00
PR	- 1,679,000	- 8.00	- 51,000	0.00	- 1,730,000	- 8.00
SEG	<u>830,200</u>	<u>0.00</u>	<u>- 3,800</u>	<u>0.00</u>	<u>826,400</u>	<u>0.00</u>
Total	- \$607,200	- 15.00	- \$97,200	0.00	- \$704,400	- 15.00

Governor: Provide standard adjustments to the base budget totaling \$429,700 GPR, -\$253,800 FED, -\$667,100 PR, \$415,100 SEG and -5.0 FED positions in 2003-04 and \$433,400 GPR, -\$367,700 FED, -\$1,011,900 PR, \$415,100 SEG and -7.0 FED and -8.0 PR positions in 2004-05. Adjustments are for: (a) turnover reduction (-\$109,400 GPR and -\$624,100 PR annually); (b) removal of noncontinuing elements from the base (-\$199,200 GPR, -\$1,140,500 FED, -\$2,644,900 PR and -5.0 FED positions in 2003-04 and -\$199,200 GPR, -\$1,254,400 FED, -\$2,989,700 PR and -7.0 FED and -8.0 PR positions in 2004-05); (c) full funding of continuing salaries and fringe benefits (\$707,700 GPR, \$886,700 FED, \$1,991,000 PR, and \$413,200 SEG annually); (d) reclassifications (\$9,900 GPR and \$5,800 PR in 2003-04 and \$13,600 GPR and \$5,800 PR in 2004-05); (e) overtime (\$551,000 PR annually); (f) night and weekend differential (\$28,600 PR annually); (g) fifth week of vacation as cash (\$21,200 GPR, \$25,500 PR, and \$1,900 SEG annually); (h) full funding of lease costs and directed moves to correctly allocate lease costs for the Division of Hearings and Appeals appropriation; and (i) transfer \$170,000 FED, \$150,900 PR, and \$3,973,600 SEG annually from unallotted reserve to supplies and services under minor offsetting transfers within the same appropriation.

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (\$21,200 GPR, \$25,500 PR, and \$1,900 SEG annually). Require the agency to lapse to the general fund \$23,700 annually from those PR accounts which these fifth week of vacation as cash payments had been budgeted. Estimate GPR-REV of \$23,700 annually. Specify that the agency is not required to lapse to the general fund any PR or SEG amount that is from federal funds or that is from another fund source whose lapse to the general fund would be prohibited by state or federal laws or the state or federal constitution.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS

Governor/Legislature: Reduce the Department's base budget operations by -\$1,407,100 GPR, -\$392,800 FED, -\$4,266,800 PR, and -\$92,300 SEG and -17.9 GPR, -8.85 FED, -62.5 PR, and -1.0 SEG positions annually for the following activities. The GPR changes represent a 12.8% reduction to the agency's state operations appropriations.

Funding Positions		
GPR	-\$2,814,200	- 17.90
FED	- 785,600	- 8.85
PR	- 8,533,600	- 62.50
SEG	- 184,600	- 1.00
Total	-\$12,318,000	- 90.25

	Amount		Positions	Fund Source
	2003-04	2004-05		
Housing Operations	-\$179,000	-\$179,000	-2.25	GPR
Justice Assistance Operations	-131,000	-131,000	-3.00	GPR
Supervision and Management Operations	-1,009,100	-1,009,100	-10.65	GPR
Hearings and Appeals Operations	<u>-88,000</u>	<u>-88,000</u>	<u>-2.00</u>	GPR
GPR Total	-\$1,407,100	-\$1,407,100	-17.90	

	<u>Amount</u>		<u>Positions</u>	<u>Fund Source</u>
	<u>2003-04</u>	<u>2004-05</u>		
Federal Aid for Housing Operations	-\$233,100	-\$233,100	-5.35	FED
Federal Aid for Justice Operations	-137,800	-137,800	-3.00	FED
Federal Aid for State Programs	<u>-21,900</u>	<u>-21,900</u>	<u>-0.50</u>	FED
FED Total	-\$392,800	-\$392,800	-8.85	
Facility Operations and Maintenance	-\$2,501,200	-\$2,501,200	-32.00	PR
Financial Services	-395,700	-395,700	-6.00	PR
Procurement Services	-226,400	-226,400	-5.00	PR
Capital Planning and Construction Services	-864,200	-864,200	-11.50	PR
Transportation, Records, and Document Services	-245,500	-245,500	-7.00	PR
Material and Services to Agencies	<u>-33,800</u>	<u>-33,800</u>	<u>-1.00</u>	PR
PR Total	-\$4,266,800	-\$4,266,800	-62.50	
Public Benefit Operations	<u>-\$92,300</u>	<u>-\$92,300</u>	<u>-1.00</u>	SEG
All Funds Total	-\$6,159,000	-\$6,159,000	-90.25	

3. PROGRAM REVENUE LAPSES

GPR-REV	\$7,200,000
PR-Lapse	\$7,200,000

Governor/Legislature: Direct the Secretary of the Department of Administration (DOA) to lapse or transfer program revenues in the amount of \$3,600,000 annually to the general fund from the following appropriation accounts. Generally prohibit the Secretary from lapsing or transferring any funds if the proposed lapse or transfer would violate a condition imposed by the federal government on the expenditure of the funds, or if the lapse or transfer would violate the federal or state constitutions.

The following appropriation accounts would be subject to the lapse or transfer requirements under DOA:

<u>Appropriation</u>	<u>2003-04</u>	<u>2004-05</u>
(1)(ka) Materials and services charges	\$700,000	\$700,000
(1)(kb) Transportation, records, and document services	695,000	695,000
(1)(kc) Capital planning and building construction services	555,000	555,000
(1)(ke) Telecommunication services	750,000	750,000
(1)(kj) Financial services	850,000	850,000
(8)(j) Raffles and crane game operations	<u>50,000</u>	<u>50,000</u>
Total	\$3,600,000	\$3,600,000

Veto by Governor [D-3]: Authorize the agency to submit an alternative plan to the Secretary of DOA for the allocation of the lapse amounts. After reviewing any submitted plan,

the Secretary would have the authority to implement the plan.

[Act 33 Section: 9260(1)]

[Act 33 Vetoed Section: 9260(1)]

4. DEBT SERVICE REESTIMATE [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$157,600	- \$115,400	\$42,200
PR	8,722,100	0	8,722,100
Total	\$8,879,700	- \$115,400	\$8,764,300

Governor: Reestimate the agency's debt service costs by \$45,000 GPR and \$4,334,200 PR in 2003-04 and \$112,600 GPR and \$4,387,900 PR in 2004-05 for the following programs: (a) principal repayment and interest at the Black Point Estate (\$45,000 GPR in 2003-04 and \$112,600 GPR in 2004-05); (b) principal repayment of parking facilities in Madison (\$509,700 PR in 2003-04 and \$511,200 PR in 2004-05); and (c) principal repayment and interest for buildings used to house state agencies (\$3,824,500 PR in 2003-04 and \$3,876,700 PR in 2004-05).

Joint Finance/Legislature: Reestimate the agency's debt service costs associated with the Black Point Estate by -\$45,000 GPR in 2003-04 and -\$70,400 GPR in 2004-05.

5. RISK MANAGEMENT CLAIMS PAYMENTS AND REINSURANCE REESTIMATES [LFB Paper 100]

PR	\$9,353,500
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Governor: Provide increased expenditure authority for risk management claims payment and reinsurance costs of \$3,824,100 in 2003-04 and \$5,529,400 in 2004-05. The claims payment adjustments reflect the following individual risk management program funding changes: (a) \$144,800 in 2003-04 and \$295,400 in 2004-05 to increase total estimated property claims payments to \$3,764,800 in 2003-04 and \$3,915,400 in 2004-05; (b) -\$550,000 in 2003-04 and -\$150,000 in 2004-05 to decrease total estimated liability claims payments to \$5,250,000 in 2003-04 and \$5,650,000 in 2004-05; and (c) \$2,262,000 in 2003-04 and \$3,069,700 in 2004-05 to increase total estimated worker's compensation claims payments to \$13,462,000 in 2003-04 and \$14,269,700 in 2004-05. No change is proposed to the current base level expenditure authority of \$275,000 annually for claims payments associated with hazardous waste cleanups.

As part of the total increase in expenditure authority, provide an additional \$1,967,300 in 2003-04 and \$2,314,300 in 2004-05 for excess insurance premiums due to the increased value of insured state properties and higher reinsurance market premium costs (includes \$1,588,000 in 2003-04 and \$1,935,000 in 2004-05 in unallotted reserve for potential increases in the insurance market) increasing the total amount budgeted for excess loss insurance to \$5,538,400 in 2003-04 and \$5,885,400 in 2004-05.

The increased funding associated with these recommended increases would be provided from charges assessed to state agencies for the operation of the state's self-funded risk management program.

Joint Finance/Legislature: Stipulate that if DOA makes any payments from the existing GPR-supported sum sufficient risk management appropriation to fund losses in excess of the amounts available from premium assessments and reinsurance payments, DOA would be required to lapse amounts to the general fund from the Department's PR-supported risk management costs appropriation. Specify that the total payments must equal the amount of the GPR expenditure plus interest equal to the average interest rate earned by the state investment fund between the period in which the GPR funds were expended until they are repaid. Require these repayments to be made within six years of the date of the original payment from the sum sufficient appropriation.

Veto by Governor [D-5]: Delete the provision requiring the payment of interest on amounts repaid to the general fund from the Department's PR-supported risk management costs appropriation.

[Act 33 Sections: 222m and 583m]

[Act 33 Vetoed Section: 222m]

6. LAND PROGRAMS -- COMPREHENSIVE PLANNING GRANTS FUNDING SHIFT [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$3,000,000	\$0	-\$3,000,000
PR	3,000,000	0	3,000,000
SEG	<u>0</u>	<u>- 2,000,000</u>	<u>- 2,000,000</u>
Total	\$0	- \$2,000,000	- \$2,000,000

Governor: Delete \$1,500,000 GPR annually and provide increased expenditure authority of \$1,500,000 PR annually under an existing PR-funded comprehensive planning grants appropriation to reflect the conversion of all GPR-funded grants to PR funding. The PR-funded grants would be supported through the proposed extension in the bill (to September 1, 2005) of the \$2 land record fee assessed on the first page of documents filed or recorded with county registers of deeds. These amounts are remitted to the state and fund Land Information Board activities, grants to counties for land records modernization, and comprehensive planning grants. The current adjusted base funding level for comprehensive planning grants is \$3,000,000 (\$1,500,000 GPR, \$500,000 PR and \$1,000,000 SEG). Under the bill, total funding for comprehensive planning grants would remain at \$3,000,000 annually, but with a different funding allocation (\$2,000,000 PR and \$1,000,000 SEG).

Joint Finance/Legislature: Delete \$1,000,000 SEG annually for grants related to the transportation element of local governments' comprehensive plans. The reduction reflects the elimination of federal highway aid funds under DOT that have previously been transferred to DOA to support these grants.

Specify that proposals funded from the \$2,000,000 PR annually appropriated for comprehensive planning grants supported from the \$2 land record fee amounts remitted to the state must include the following planning elements in order to be funded: (a) expediting and integrating the use of preexisting, locally created and maintained Wisconsin land information program data; (b) utilizing digital data that is consistent with Wisconsin land information program interests, modernization, and public access standards; and (c) maximizing public participation through access to planning support tools.

Under current law, applications for comprehensive planning grant funds made by local governments must contain a complete statement explaining how the funding would be used. In determining whether to approve a proposed grant, current law requires that preference be given to applications that contain all of the following planning elements: (a) addressing the interests of overlapping or neighboring jurisdictions; (b) promoting the redevelopment of lands with existing infrastructure and public services; (c) encouraging a range of neighborhood transportation choices; (d) protecting natural areas; (e) protecting economically productive areas; (f) encouraging land uses, densities, and regulations that promote efficient development patterns; (g) preserving cultural, historic and archaeological sites; (h) encouraging coordination among nearby units of government; (i) building community identity; (j) providing an adequate supply of affordable housing; (k) providing adequate infrastructure and public services to meet existing and future market demand; (l) promoting the expansion or stabilization of the current economic base; (m) balancing individual property rights with community interests; (n) planning land uses that create varied and unique communities; (o) providing an integrated transportation system; (p) planning efforts that identify smart growth areas; (q) planning efforts, including subsequent updates and amendments; (r) planning efforts for which completion is contemplated within 30 months of the grant award; and (s) planning efforts that provide opportunities for public participation.

Veto by Governor [B-15]: Delete the provision specifying that comprehensive planning grants funded from the \$2,000,000 PR annually appropriated from the \$2 land record fee received by the state would have to include the following planning elements in order to be funded: (a) expediting and integrating the use of preexisting, locally created and maintained Wisconsin land information program data; (b) utilizing digital data that is consistent with Wisconsin land information program interests, modernization, and public access standards; and (c) maximizing public participation through access to planning support tools.

[Act 33 Section: 2811]

[Act 33 Vetoed Sections: 230b and 230c]

7. LAND PROGRAMS -- EXTENSION OF SUNSET OF THE LAND INFORMATION BOARD AND THE LAND COUNCIL [LFB Paper 101]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0	0.00	\$1,626,000	0.00	\$1,626,000	0.00
GPR	-\$100,000	- 1.00	\$0	0.00	-\$100,000	- 1.00
PR	374,600	3.00	1,999,900	0.00	2,374,500	3.00
Total	\$274,600	2.00	\$1,999,900	0.00	\$2,274,500	2.00

Governor: Extend the scheduled sunset date for the Land Information Board, Land Council, related programs and appropriations from the current September 1, 2003, to September 1, 2005, and make the following modifications:

Land Information Board. Delete \$50,000 GPR and 1.0 GPR position annually associated with comprehensive planning grant administration and provide increased expenditure authority of \$50,000 PR and 1.0 PR position for this function. Provide an additional \$137,300 PR annually and 2.0 PR positions in 2004-05 to continue two of the Board's four positions. These PR-funded positions would be supported through the proposed extension in the bill (to September 1, 2005) of the \$2 land record fee assessed on the first page of documents filed or recorded with county registers of deeds. These amounts are remitted to the state and currently fund Land Information Board activities, grants to counties for land records modernization, and comprehensive planning grants.

Under current law, the Land Information Board was required to submit a report, in conjunction with the Land Council, on the continuation of the Board's functions and the feasibility of combining the functions of the two entities by September 1, 2002. Require a report of this nature to be submitted by September 1, 2004.

Land Council. In addition to the two-year extension of the Land Council's sunset date, delay the transfer of land information technology processing services and functions from the Council to DOA until September 1, 2005, rather than the current September 1, 2003. Require the Council, in conjunction with its working group, which includes state and local government officials and individuals from the private sector, to submit an evaluation of the Council's functions and activities by September 1, 2004, rather than September 1, 2002. The new report must include a recommendation on whether the Council should continue to operate and whether there should be any changes to its duties. Under the Governor's recommendation, no funding or position authority would be provided to the Land Council after August 31, 2003.

Under standard budget adjustments, the Governor has deleted base level funding and staffing associated with the Land Information Board and the Land Council for the period after August 31, 2003. These reductions total \$1,723,800 PR in 2003-04 and \$2,086,600 PR and 8.0 positions in 2004-05.

Joint Finance/Legislature: Provide \$907,000 PR in 2003-04 and \$1,092,900 PR in 2004-05, funded from land record fees, for the following purposes: (a) \$123,900 PR annually for Board operations relating to the continuing implementation of the Wisconsin land information system; (b) \$152,300 PR in 2003-04 and \$269,000 PR in 2004-05 to provide sufficient funding to ensure that each county would receive a minimum of \$35,000 annually from the combination of its own retained land record fees plus state grants for the purpose of county land information modernization efforts; and (c) \$630,800 PR in 2003-04 and \$700,000 PR in 2004-05 for the continuation of a soil survey and mapping contract with the U. S. Department of Agriculture's Natural Resources Conservation Service in 10 Wisconsin counties that have not had their soils completely surveyed and 38 counties that had not yet had all of their soil survey data computerized.

Lapse \$1,101,600 in 2003-04 and \$524,400 in 2004-05 to the general fund from the balances in the Board's aids to counties appropriation account, funded from the state's share of land record fees.

Specify that the Board, rather than DOA, would be responsible for approving expenditures relating to the development of Wisconsin land information systems to ensure that state agency information on the system is readily translatable, retrievable and geographically referenced to enable public use of the information on an internet-based system.

Correct two statutory references to sunset dates relating to the Land Council that were not extended to September 1, 2005, under the Governor's recommendations for: (a) a provision establishing the Council's statutory membership; and (b) a provision transferring the Council's responsibilities with respect to its review and approval of comprehensive planning grants to DOA.

Veto by Governor [D-8]: Delete provisions specifying that the Land Information Board, rather than DOA, would be responsible for approving expenditures relating to the development of Wisconsin land information systems to ensure that state agency information on the system is readily translatable, retrievable and geographically referenced to enable public use of the information on an internet-based system.

[Act 33 Sections: 98e, 147, 148, 1533d, 2809, 2811 thru 2813, and 9201(1q)]

[Act 33 Vetoed Sections: 230d, 230h, 230p, 230t, and 9401(2k)]

8. ELIMINATION OF THE TAX APPEALS COMMISSION [LFB Paper 352]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$635,400	- 4.00	\$317,600	3.00	-\$317,800	- 1.00

Governor: Eliminate the Tax Appeals Commission and replace it with an Office of the Commissioner of Tax Appeals (OCTA). Delete \$317,700 and 4.0 positions annually (including two of the three unclassified commissioners). Provide that OCTA would also be attached to DOA for administrative purposes. Modify all statutory references to the Tax Appeals Commission and its commissioners to refer instead to the Office of the Commissioner of Tax Appeals and the Commissioner of Tax Appeals, respectively.

Transfer all assets, liabilities, remaining incumbent employees, tangible personal property, contracts, rules and orders, and all pending matters before the Tax Appeals Commission to OCTA. With respect to the transfer of employees, the bill would specify that: (a) all employees transferred would retain the same rights and employee status held prior to the transfer; and (b) no employee who had attained permanent status in a classified position would be required to serve a new probationary period.

Base level funding for the Tax Appeals Commission, including full funding of continuing salaries and reclassifications, totals \$588,000 in 2003-04 and \$591,700 in 2004-05 and 6.0 positions annually. This provision would reduce the amounts available to the newly created OCTA to \$270,300 in 2003-04 and \$274,000 in 2004-05 and 2.0 positions annually. [See "General Fund Taxes" for a more detailed description of this initiative.]

Joint Finance/Legislature: Delete provision. Retain the Commission and restore \$158,800 and 3.0 positions annually but eliminate 1.0 base level support position. Include a non-statutory moratorium on appointing a commissioner to fill a current vacancy (for the term ending on March 1, 2009) until July 1, 2005. Specify that: (a) if only two commissioners are available to participate in a decision on a case requiring the concurrence of the majority of the Commission, and if they cannot reach an agreement, then the chairperson, or, if the chairperson is not participating in the decision, the commissioner with the most seniority, would be authorized to make the decision; and (b) in the event that only one commissioner is available to participate in a decision requiring the concurrence of a majority of the Commission, that commissioner would be authorized to make the decision. Under these provisions, total funding for the Tax Appeals Commission would be \$429,100 in 2003-04 and \$432,800 in 2004-05. These amounts are \$158,900 less than base funding in each year.

Veto by Governor [D-12]: Delete the provision establishing a statutory moratorium until July 1, 2005, on appointing a commissioner to fill a current commissioner vacancy.

[Act 33 Sections: 1614b and 1614d]

[Act 33 Vetoed Section: 9145(1f)]

9. FEDERAL RESOURCE ACQUISITION SUPPORT GRANTS FUNDING ELIMINATION

GPR	- \$200,000
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Governor/Legislature: Delete \$100,000 annually for grants to the Wisconsin Technical

College System Foundation, Inc., to support a portion of the Foundation's costs associated with operating a federal surplus property distribution program for government and corporate customers. The Governor's recommendation would fully eliminate base level funding for the grant program but does not repeal the appropriation.

10. WASTE FACILITIES SITING BOARD STAFFING ELIMINATION AND TRANSFER TO DNR

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	-\$202,600	- 1.75	-\$64,600	0.00	-\$267,200	- 1.75

Governor: Delete \$101,300 and 1.75 positions annually to eliminate all staff at the Waste Facilities Siting Board. Repeal the Board's authority to appoint an executive director and to employ such an individual in the unclassified service. Require the Division of Hearings and Appeals to provide staff to assist the Board in the performance of duties. Specify that the Board, rather than the executive director, may request the assistance from any state agency. Funding of \$32,300 annually would remain available to the Board for this purpose. Under current law, the Board supervises mandated negotiation-arbitration procedures relating to the siting of solid or hazardous waste facilities.

Joint Finance/Legislature: Retain the authority of the Waste Facility Siting Board to appoint an unclassified executive director, and transfer the Board and the remaining base level funding under DOA (\$32,300 annually for supplies and services) to the Department of Natural Resources (DNR). Delete the proposed changes to the executive director's and the Board's statutory duties and the requirement that the Division of Hearings and Appeals provide staff to assist the Board. [An additional \$73,900 and 1.0 unclassified position annually would be provided under DNR to fund the executive director.]

On the effective date of the provision, transfer the assets, liabilities, and personal property of the Board, as determined by the Secretary of DOA, from DOA to DNR. Require DNR to carry out all contractual obligations of the Board until such contract is modified or rescinded, as allowed by the contract. [See "Natural Resources -- Air, Waste and Contaminated Land" for more information.]

Veto by Governor [D-13]: Delete the transfer of the Board to DNR. Delete the renumbering of the Board's appropriation from DOA to DNR, thereby deleting funding and position authority under DNR. As a result, the Board remains attached to DOA and the Board's operations appropriation in DOA is retained but is set at \$0 with no associated position authority.

Under current law, the Board supervises mandated negotiation-arbitration procedures relating to the siting of solid or hazardous waste facilities. However, only the executive director is granted the explicit statutory authority to request the assistance of any state agency related to this

responsibility. Further, while the Board would retain supervision of mandated negotiation-arbitration procedures authority and would retain statutory authority under s. 230.08(2)(x) to appoint an unclassified executive director, under Act 33 no funding or positions are authorized in DOA for the Board's operations.

[Act 33 Vetoed Sections: 92x, 286(as it relates to s. 20.370(2)(ei)), 402p, 587p, 2475g, and 9101(8c)]

11. MIDWEST LOW-LEVEL RADIOACTIVE WASTE FUNDING REDUCTION

PR	- \$111,400
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Governor/Legislature: Delete \$55,700 annually budgeted for the actual and necessary meeting expenses of the state's commissioner to the Midwest Interstate Low-level Radioactive Waste Compact, for state agency costs incurred while assisting the commissioner, and for the associated advisory council's expenses. A total of \$5,000 annually would remain for the actual and contingent costs incurred by the commissioner. Funds credited to this appropriation derive from fees paid by nuclear power plant operators and by generators of low-level radioactive wastes.

12. WOMEN'S COUNCIL DATA LINE COST INCREASES

GPR	\$3,400
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Governor/Legislature: Provide \$1,700 annually to the attached Women's Council. Place these funds in unallotted reserve for possible release by DOA for increased costs for T1 data communication line access. Currently, the Council shares a T1 line with the Board on Aging and Long-Term Care and the Adolescent Pregnancy Prevention and Pregnancy Services Board, which is eliminated under Act 33. Consequently, it is anticipated that the Council's monthly share of T1 line costs will increase from the current one-third of total costs to one-half of total costs.

13. GPR-EARNED REESTIMATE [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-REV	\$13,400	- \$13,400	\$0

Governor: Reestimate agency GPR-Earned receipts by \$6,700 annually to reflect projected increases due to the transfer of the Department of Employment Relations function to DOA.

Joint Finance/Legislature: Delete provision.

14. REPEAL OF OBSOLETE APPROPRIATIONS

Governor/Legislature: Repeal the following obsolete or unused GPR annual appropriations: (a) the sale of tobacco settlement payments appropriation; and (b) the Wisconsin Patients Safety Institute, Inc., grant appropriation. There is no base level funding associated with either appropriation.

The sale of tobacco settlement payments appropriation was created under 2001 Wisconsin Act 16 to support the costs incurred by the Secretary of DOA in any sale of the state's rights to receive any payments under the Attorneys General Master Tobacco Agreement. Those sales have now been completed. The appropriation was never funded and has not been used.

The Wisconsin Patients Safety Institute, Inc., grant appropriation was also created under Act 16 and was funded at \$110,000 GPR annually. Subsequently, 2001 Wisconsin Act 109 repealed the grant program and deleted the grant funding for 2002-03. However, the appropriation itself was not repealed.

[Act 33 Sections: 568 and 569]

15. HOSPITAL AND AMBULATORY SURGERY CENTER DATA COLLECTION CONTRACT

PR	\$750,000
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Joint Finance/Legislature: Provide \$750,000 in 2003-04 to the Department's services to nonstate governmental units appropriation, funded from a transfer from the health care information general program operations appropriation under the Department of Health and Family Services (DHFS), for the purpose of contracting for the collection of hospital and ambulatory surgery center data, and modify DOA's appropriation to incorporate this additional statutory purpose. By the first day of the second month following the general effective date of the biennial budget act, require DOA to contract with an entity that is: (a) a not-for-profit organization, as defined under section 501(c)(6) of the Internal Revenue Service Code; (b) a business membership organization that represents at least 70% of hospitals in Wisconsin; and (c) affiliated with a group that would oversee the entity's data program ("oversight group"). Specify that the current law requirement that DOA obtain certain services from work centers for severely handicapped individuals would not apply in this contract situation.

Provide that the purpose of the contract would be to: (a) collect the data and information that the Bureau of Health Information in DHFS currently collects from hospitals and ambulatory surgery centers, including claims data information from the fiscal survey and the American Hospital Association annual survey; (b) prepare and release the collected data and other information in the data sets and standard reports as required under current law by the Bureau; (c) develop standard reports on the hospital rate increases, the guide to Wisconsin hospitals, the patient-level data utilization and charges, and the uncompensated health care in Wisconsin hospitals; (d) protect patient confidentiality, as required under current law, for data

collected from hospitals and ambulatory surgery centers; (e) release all claims data and provider survey information to DHFS for epidemiological purposes as required under current law; (f) assess fees as approved by the oversight group for the sale of data sets and standard reports; and (g) expand the current hospital outpatient database to include all outpatient hospital-based services within 18 months of the contract date.

Prohibit DOA from requiring the collection, analysis, or dissemination of health care information of hospitals and ambulatory surgery centers that is in addition to that required under current law. Stipulate that DOA may only include standard contract terms for this procurement.

Authorize the oversight group to recommend to DOA the issuance of a new request for proposals for the work performed under this contract, if the oversight group is not satisfied with the performance of the contracted entity. Require the hospital data and information collection and dissemination functions to transfer back to DHFS if no acceptable bids are received. [For additional information, see "Health and Family Services -- Health."]

Veto by Governor [C-20]: Delete references to the exact date by which DOA must contract with an entity so that the contract must be completed by the end of September, 2003, rather than by September 1, 2003. Delete the provision specifying that DOA may include only standard contract terms, as specified under Chapter 16 of the statutes, for this procurement.

[Act 33 Sections: 211, 214b, 215c, 570, 2092f, and 9224(3k)]

[Act 33 Vetoed Section: 2092f]

16. STATE GOVERNMENT MANAGEMENT SYSTEMS

Joint Finance/Legislature: Direct the Secretary of DOA to issue requests for proposals (RFPs) in 2003-05 for all of the following for executive branch agencies: (a) a performance-based budgeting system; (b) a single web-based accounting system; (c) a single web-based electronic procurement system that includes the capability for the purchase and distribution of facility maintenance supplies, including but not limited to laundry services for state provided uniforms, cleaning, custodial, and laundry supplies, as well as consumable janitorial supplies, such as paper towels and trash can liners; (d) a single human resource system that would process all personnel information and payroll transactions and provide information to all employee's regarding their benefits and services; and (e) an internet portal. Authorize the Legislature and the Courts to participate in any of these systems, if they are implemented, and the Legislature or the Courts choose to do so.

Direct the Secretary of DOA to establish a means of accurately measuring the cost savings and efficiencies that would be achieved through implementation of the RFPs. Authorize DOA to implement for executive branch agencies an enterprise-wide business intelligence and data warehouse strategy or system, supported by software tools. Direct the Secretary of DOA to

provide information on the RFPs along with current estimated costs for these services to the Governor, and to the Legislature for distribution to the appropriate standing committees by July 1, 2004. Direct the Secretary of DOA to include funding requests based on the lowest acceptable bid or competitive proposal for each such system in the Department's 2005-07 budget request along with any required statutory change recommendations. If any of these proposals may be implemented without additional costs to the state during the 2003-05 biennium, direct the Secretary of DOA to immediately begin implementation of the lowest cost acceptable competitive sealed proposal.

Require the RFP for a single web-based electronic procurement system (that must include the capability for the purchase and distribution of facility maintenance supplies) to provide a customized-commerce portal that is uniquely designed for the needs of the state. Prohibit the system from having initial software customization costs to the state. Stipulate that any web-based procurement system have the following characteristics and capabilities: (a) centralized order processing; (b) invoice aggregation for each state agency; (c) budget management integrated system to identify and prevent budget overruns on a monthly basis; (d) online and on-site training; (e) on-site implementation training at all major state facilities; and (f) order entry accessibility by electronic data input, internet, fax or telephone.

Beginning on July 1, 2005, or as soon thereafter as the system is implemented, require all executive state agencies to purchase facility maintenance supplies and related consumable products through the web-based electronic procurement system established within DOA.

By July 1, 2004, require the Secretary of DOA to study the feasibility of consolidating all executive branch state agency procurement staff into the Department's Bureau of Procurement. Within six months of the implementation of a single web-based electronic procurement system, direct the Secretary of DOA to delete 88.0 FTE procurement-related executive branch state agency positions. Require each agency in which a non-FED funded procurement-related position is deleted to identify the salary and fringe benefits funding for the position and lapse or transfer those amounts to the general fund.

Direct DOA to request proposals for the provision of personal computer hardware and software for executive branch state agencies through a simple lease program with a private vendor whenever an existing master-lease agreement for these services expires. Require the Secretary of DOA to provide computer hardware and software by means of a simple lease, if it is more cost-effective than entering into a new master lease.

Veto by Governor [D-8]: Delete all provisions except those authorizing DOA to implement for executive branch agencies an enterprise-wide business intelligence and data warehouse strategy or system, supported by software tools.

[Act 33 Section: 141f]

[Act 33 Vetoed Sections: 215m and 9101(4k)]

17. ELIMINATION OF CERTAIN PRINTED PUBLICATIONS

Joint Finance/Legislature: Require DOA to identify all printed publications being prepared by executive branch state agencies. Prohibit publications from being produced by any of these agencies unless deemed essential by the Secretary of DOA or required by law or by the Wisconsin Constitution. Require these agencies to submit expenditure estimates for the printing of publications to the Secretary of DOA during the 2003-05 biennium. Except for FED-funded publications, direct the Secretary to lapse or transfer to the general fund, the estimated cost of any disapproved publication or printing from an appropriation other than a sum sufficient appropriation. For nonessential publications funded from sum sufficient appropriations, direct the Secretary to reestimate the appropriation and include the revised estimate in the final Chapter 20 appropriations schedule. If an agency's publication is rejected as not being essential, require the state agency to post the information on its Internet site.

Veto by Governor [D-8]: Delete provision.

[Act 33 Vetoed Section: 9101(14p)]

18. SCHOOL FINANCE COMMISSION MEETING EXPENSES

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$10,000	- \$10,000	\$0

Joint Finance/Legislature: Provide \$10,000 in 2003-04 to fund meeting expenses for a School Finance Commission that would consider the system for funding K-12 education in the state. [See "Public Instruction -- General School Aids and Revenue Limits" for more information.]

Veto by Governor [A-10]: Delete provision.

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.505(4)(ba)) and 9141(2c)]

19. TRANSFER OF CERTAIN STATE AIRCRAFT SALE PROCEEDS TO THE GENERAL FUND

GPR-REV	\$82,400
PR-Lapse	\$82,400

Senate/Legislature: Direct DOA to transfer to the general fund on the later of July 1, 2003, or the general effective date of the biennial budget act, the proceeds from the sale of two Wisconsin Air Services aircraft during 2002-03. Reestimate the agency's GPR-Earned receipts by \$82,400 in 2003-04 to reflect this transfer.

Provisions of 2001 Wisconsin Act 16 required DOA to liquidate two state-owned aircraft and to credit the proceeds in the general fund. A subsequent Legislative Audit Bureau review

determined that the proceeds had instead been credited to the Department's transportation and other services PR appropriation rather than to the general fund.

[Act 33 Section: 9201(2q)]

Transfers to the Department

1. TRANSFER OF THE FUNCTIONS OF THE DEPARTMENT OF ELECTRONIC GOVERNMENT TO DOA [LFB Paper 295]

Funding Positions		
PR	\$260,918,400	208.30

Governor: *Transfer Provisions.* Provide \$130,459,200 and 208.3 positions annually associated with the transfer of information technology functions to DOA as the result of the elimination of the Department of Electronic Government (DEG). Transfer the current powers and duties of DEG [see Electronic Government, Item #2] to DOA.

Create the following information technology and telecommunications-related appropriations under DOA with expenditure and position authority as indicated: (a) a PR continuing appropriation for printing, mailing, communications and information technology services for state agencies (\$2,157,400 annually); (b) a PR continuing appropriation for information technology and communications services provided to non-state entities (\$84,345,100 and 164.3 positions annually); (c) a PR annual appropriation for telecommunications services for state agencies (\$36,593,800 and 24.0 positions annually, including 1.0 unclassified division administrator); (d) a PR annual appropriation for justice information systems (\$1,491,900 and 16.0 positions annually); (e) a PR annual appropriation for justice information systems development, operation, maintenance and assistance (\$857,500 and 3.0 positions annually); and (f) a PR annual appropriation for telecommunications relay services (\$5,013,500 and 1.0 position annually).

Create 1.0 unclassified division administrator position in DOA associated with information technology.

Specify that, 30 days after the effective date of the bill, the unencumbered balances in DEG's appropriations would be transferred to DOA, as follows:

a. From DEG's services appropriation, the amount that is attributable to gifts, grants and bequests received by DEG, as determined by the Secretary of DOA, to DOA's existing gifts, grants and bequests appropriation.

b. From DEG's services appropriation, the amount that is attributable to revenues associated with the provision of computer services, telecommunications services, and supercomputer services to state authorities, units of the federal government, local governmental

units, and entities in the private sector, as determined by the Secretary of DOA, to the continuing appropriation for information technology and communications services provided to non-state entities.

c. From DEG's services appropriation, the amount that is attributable to revenues associated with the provision of electronic communications services to state authorities, units of the federal government, local governmental units, and entities in the private sector, as determined by the Secretary of DOA, to the continuing appropriation for information technology and communications services provided to non-state entities.

d. From DEG's services appropriation, the amount that is attributable to revenues associated with the provision of electronic communications services to state agencies, as determined by the Secretary of DOA, to the continuing appropriation for printing, mailing, communications and information technology services for state agencies.

e. From DEG's services appropriation, the amount that is attributable to revenues associated with the provision of printing, mail processing, and information technology processing services to state agencies, as determined by the Secretary of DOA, to the continuing appropriation for printing, mailing, communications and information technology services for state agencies.

f. From DEG's services appropriation, the amount that is attributable to revenues associated with the provision of information technology development and management services to executive branch agencies, as determined by the Secretary of DOA, to the continuing appropriation for printing, mailing, communications and information technology services for state agencies.

g. From DEG's justice information systems interagency assistance appropriation, the existing balance to the annual appropriation for justice information systems development, operation, maintenance and assistance.

h. From DEG's federal aids appropriation, the existing balance to DOA's existing federal aids appropriation.

Under the bill, DEG's appropriations associated with state agency telecommunications, justice information systems and telecommunications relay services would be transferred to DOA without modifications. The bill would combine two DEG appropriations for justice information systems (the justice information systems interagency assistance appropriation and the justice information systems development, operations and maintenance appropriation) into a single justice information systems development, operations, maintenance and assistance appropriation. The combined appropriation would receive revenues from both penalty assessment funding and federal Byrne grant monies. The bill would divide DEG's continuing, services appropriation into two appropriations: one for services to state agencies and the other for services to non-state entities. Funding under the bill in DOA under the two continuing appropriations and in the justice information systems development, operations, maintenance and assistance appropriation are associated with amounts currently contained in budget

estimates under DEG's appropriation structure. The amounts provided in DOA for these appropriations may not reflect estimated expenditures under the new appropriations. The final amounts in these three appropriations would be determined by the Secretary of DOA as described above. [Position allocations between the appropriations are not addressed in the bill.]

Current Law. DEG was created in 2001 Wisconsin Act 16 to manage and oversee information technology and telecommunications activities of state agencies and to assist state agencies with information technology issues. Resources for the Department were provided by transferring the funding and staffing associated with two information technology-related divisions in DOA.

In DEG, funding of \$131,976,000 and 230.3 positions annually would be deleted in connection with the proposed transfer of that agency's information technology functions to DOA, resulting in a net reduction of \$1,516,800 and 22.0 positions annually.

Joint Finance/Legislature: Adjust funding and position authority under the new appropriations created in DOA, as follows: (a) printing, mailing, communications and information technology services to state agencies, provide \$81,506,300 and 164.3 positions annually; (b) information technology and communications provided to non-state entities, delete \$69,972,100 and 164.3 positions annually; (c) telecommunications services to state agencies, delete \$12,591,200 annually; (d) justice information systems, provide \$161,500 and 3.0 positions annually; and (e) justice information systems development, operation, maintenance and assistance, delete \$857,500 and 3.0 positions annually.

In addition: (a) retain a separate PR annual appropriations for justice information systems supported from penalty assessment revenues and federal Byrne grant monies and provide \$1,753,000 annually; (b) change the continuing appropriations created under DOA as a result of the elimination of DEG to annual appropriations; and (c) direct that the methodologies for determining IT-related fees and assessments be submitted to the Legislature for approval as an administrative rule.

Total annual funding and positions by appropriation for information technology related activities under DOA are identified in the following table.

<u>Appropriation</u>	<u>Governor</u>		<u>Jt. Finance/Leg.</u>		<u>Net Change</u>	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Printing, mailing, communications and information technology services to state agencies [s. 20.505(1)(kL)]	\$2,157,400	0.00	\$83,663,700	164.30	\$81,506,300	164.30
Information technology and communications provided to non-state entities [s. 20.505(1)(is)]	84,345,100	164.30	14,373,000	0.00	-69,972,100	-164.30
Telecommunications services to state agencies [s. 20.505(1)(ke)]	36,593,800	24.00	24,002,600	24.00	-12,591,200	0.00
Justice information systems [s. 20.505(1)(ja)]	1,491,900	16.00	1,653,400	19.00	161,500	3.00
Interagency assistance; justice information systems [s. 20.505(1)(kp)]	0	0.00	1,753,000	0.00	1,753,000	0.00
Justice information systems development, operation, and maintenance [s. 20.505(1)(kq)]	857,500	3.00	0	0.00	-857,500	-3.00
Telecommunications relay service [s. 20.505(1)(ir)]	<u>5,013,500</u>	<u>1.00</u>	<u>5,013,500</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$130,459,200	208.30	\$130,459,200	208.30	\$0	0.00

Veto by Governor [D-9]: Delete requirement that the methodologies for determining IT-related fees and assessments be established by administrative rule.

[Act 33 Sections: 4, 9, 31 thru 33, 39, 42, 51, 82, 98, 113 thru 115, 172, 190, 191, 197, 198, 202, 203, 206 thru 208, 212, 213, 215, 216, 217c, 218, 231 thru 233, 235, 276, 305, 570, 572, 574, 589, 635, 636, 638 thru 640, 642d thru 645, 731, 750, 751, 753 thru 800, 874, 935, 1706, 2314d, 2315, 2324, 2347, 2392, 2395, 2472, 2672, 9115(1)&(2), 9215(1), and 9415(1)]

[Act 33 Vetoes Section: 778]

2. INFORMATION TECHNOLOGY LAPSE TO THE GENERAL FUND

GPR-REV	\$31,827,800
GPR-Lapse	\$8,172,200

Joint Finance/Legislature: Direct DOA to lapse or transfer to the general fund from unencumbered appropriation balances, other than sum sufficient appropriations, \$20,000,000 in 2003-04 and \$20,000,000 in 2004-05 from executive branch agency information technology projects. Specify that the Secretary of DOA may not waive the submission of expenditure estimates for information technology projects during 2003-05 and must disapprove estimates of

expenditures for information technology projects equal to \$20 million in 2003-04 and 2004-05. Specify that the Secretary may not lapse or transfer funding from any appropriation that would violate a condition imposed by the federal government on expenditure of funds or would violate the federal or state constitution.

Veto by Governor [D-10]: Modify the provision to: (a) delete specific reference to "executive branch" agencies; (b) delete references to information technology; (c) delete references to the 2003-04 and 2004-05 fiscal years; (d) allow the lapse amounts to be taken from sum sufficient appropriations; and (e) delete both the prohibition on the Secretary of DOA from waiving the submission of expenditure estimates for information technology projects in the 2003-05 biennium and the requirement that estimates of expenditures for information technology projects be disapproved equal to \$20 million in 2003-04 and in 2004-05.

Under Act 33, the Secretary of DOA must lapse or transfer to the general fund \$40 million in the 2003-05 biennium from all state agencies. The transferred or lapsed funding need not be budgeted for information technology projects. Funding could be lapsed or transferred from sum sufficient appropriations. Under Act 33, "agency" includes legislative and judicial branch agencies, but does not include the Health and Educational Facilities Authority, the Bradley Center Sports and Entertainment Corporation, the World Dairy Center Authority, or the Fox River Navigational Authority. The Governor's veto message indicates that the Secretary of DOA will allocate reductions across all sectors of state government operations.

[Act 33 Section: 9160(2x)]

[Act 33 Vetoed Section: 9160(2x)]

3. STATE AGENCY TELECOMMUNICATIONS OVERSIGHT AUTHORITY

Governor: Expand DOA's state agency oversight authority related to telecommunications issues to include the University of Wisconsin System Board of Regents.

Under current law, no state agency in the executive branch, other than the Board of Regents of the UW System, may: (a) procure telecommunications materials, supplies, equipment, or services from any source except DEG, unless DEG permits otherwise; or (b) enter into a contract for telecommunications materials, supplies, equipment, or services without approval of the contract by the state chief information officer (the Secretary of Electronic Government). Current law also specifies that DEG may enter into statewide master contracts for telecommunications materials, supplies, equipment, or services and may require executive branch agencies, other than the Board of Regents of the UW System, to obtain such goods and services under a master contract. In addition, the chief information officer may assess any executive branch agency, other than the Board of Regents of the UW System, for DEG's costs of systems or devices relating to telecommunications that are developed, operated, or maintained by DEG. Finally, current law specifies that the Information Technology Management Board, which is attached to DEG, may monitor progress in achieving goals for telecommunications

development set by executive branch agencies, other than the Board of Regents of the UW System.

The effect of the modification would be to remove the exemption from oversight for the Board of Regents of the UW System related to telecommunications.

Joint Finance/Legislature: Delete provision.

4. CONSOLIDATION OF STATE AGENCY ATTORNEYS [LFB Paper 105]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$1,643,600		\$1,643,600	
GPR-Lapse	\$0		\$1,396,200		\$1,396,200	
PR	\$14,553,300	69.45	-\$14,553,300	- 69.45	\$0	0.00
SEG	0	- 1.00	0	1.00	0	0.00
Total	\$14,553,300	68.45	-\$14,553,300	- 68.45	\$0	0.00

Governor: Provide \$6,237,100 PR in 2003-04 and \$8,316,200 PR in 2004-05 and 69.45 PR positions annually for personnel costs associated with the transfer of certain executive branch state agency attorneys to DOA on the later of October 1, 2003, or the first day of the third month following publication.

DOA Authorized to Provide Legal Services. Authorize DOA to provide legal services to state agencies, defined as any office, commission, department independent agency or board in the executive branch, including the Building Commission. Delete various statutory provisions that authorize certain executive branch agencies to directly employ legal staff. Require DOA to annually assess each of these agencies for the costs of the legal services provided to the agency. Create a PR, continuing appropriation under DOA to fund the provision of legal services to state agencies. State agency legal assessments would be credited to the appropriation.

Attorneys Transferred. Require all state agencies subject to these provisions to transfer certain attorney positions to DOA on the later of October 1, 2003, or the first day of the third month after publication.

Agencies Excluded from the Transfer Requirement. Specify that the following executive branch agencies would not be subject to the attorney transfer requirement: (a) the Public Service Commission; (b) the Public Defender Board; (c) the Board of Regents of the UW System; (d) the University Hospitals and Clinics Board; (e) the Investment Board; (f) the Office of the Governor; (g) the Elections Board; (h) the Ethics Board; (i) the Department of Regulation and Licensing; and (j) the Department of Justice.

Attorney Functions Exempted from Transfer. Stipulate that attorney positions identified by the Secretary of DOA that perform any of the following functions would not be subject to

transfer: (a) agency hearing officers, hearing examiners, or administrative law judges; and (b) attorneys employed by a district attorney.

Agency Chief Counsels Exempted from Transfer. Specify that one attorney position identified by the Secretary of DOA as the chief counsel in any of the following agencies would not be subject to transfer: (a) Agriculture, Trade, and Consumer Protection; (b) Commerce; (c) Corrections; (d) Employee Trust Funds (e) Financial Institutions; (f) Health and Family Services; (g) Natural Resources; (h) Public Instruction; (i) Revenue; (j) Veterans Affairs; (k) Workforce Development; and (l) the Office of the Commissioner of Insurance.

Transitional Provisions. Specify that all transferred attorneys would have the same rights and status as the agency in which they originated. Specify that the attorneys that have achieved permanent status, would not be required to undergo a probationary period in DOA.

DOA Attorney Position Reduction. Delete 1.0 SEG position annually under DOA's environmental improvement fund capital financing support function to reflect the consolidation of executive branch attorneys under DOA. Reallocate \$85,400 SEG in 2003-04 and \$114,300 SEG in 2004-05 of base level salary and fringe benefits funding to supplies and services costs to fund legal services assessments.

Under the Governor's attorney consolidation proposal, the number of attorneys transferred to DOA from various executive branch state agencies would be as follows:

<u>Agency</u>	<u>FTE Positions Transferred</u>
Administration [from SEG-funded function]	1.00
Agriculture, Trade and Consumer Protection	4.50
Commerce	2.00
Corrections	4.80
Employee Trust Funds	1.00
Employment Relations	1.00
Financial Institutions	5.00
Health and Family Services	13.15
Insurance	3.00
Natural Resources	14.00
Public Instruction	2.00
Revenue	9.00
Transportation	7.00
Veterans Affairs	1.00
Workforce Development	<u>1.00</u>
Total	69.45

Joint Finance: Delete provision. Direct the Secretary of DOA to delete all executive branch agency attorney positions, other than attorney positions at the University of Wisconsin System, that are vacant on January 2, 2004, and lapse or transfer the associated non-FED salary and fringe benefits amounts to the general fund in 2003-04 and 2004-05. If fewer than 31.0 FTE

agency attorney positions are vacant on January 2, 2004, authorize the Secretary of DOA to delete sufficient additional state agency attorney positions, other than at the University of Wisconsin System, to ensure the elimination of a total of 31.0 FTE state agency attorney positions.

It is estimated that the total amounts credited to the general fund from the deletion of 31.0 attorneys on January 2, 2004, would total \$547,900 GPR-REV and \$465,400 GPR-Lapse in 2003-04 and \$1,095,700 GPR-REV and \$930,800 GPR-Lapse in 2004-05. It is not known at this time which state agencies will actually be subject to position and funding reductions, as a result of this provision.

Senate/Legislature: Include the Department of Employee Trust Funds and the Investment Board among the executive branch agencies that would be exempted from the requirement that 31.0 FTE agency attorney positions be deleted by January 2, 2004, and the associated salary and fringe benefit amounts lapsed or transferred to the general fund.

Veto by Governor [D-2]: Delete all references to the word "attorney," so that the Secretary of DOA must eliminate 31.0 positions that are vacant as of January 2, 2004. Delete the exemption of the University of Wisconsin System, so that the only executive branch agencies that would be exempted from the position reductions are the Department of Employee Trust Funds and the Investment Board.

[Act 33 Section: 9101(9x)]

[Act 33 Vetoed Section: 9101(9x)]

5. **TRANSFER DEPARTMENT OF EMPLOYMENT RELATIONS TO DOA** [LFB Paper 316]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$9,657,800	51.90	- \$9,657,800	- 51.90	\$0	0.00
PR	3,437,400	6.00	- 3,437,400	- 6.00	0	0.00
Total	\$13,095,200	57.90	- \$13,095,200	- 57.90	\$0	0.00

Governor: Provide \$4,828,900 GPR and \$1,771,200 PR in 2003-04 and \$4,828,900 GPR and \$1,666,200 PR in 2004-05 and 51.9 GPR and 6.0 PR positions annually to transfer the functions of the Department of Employment Relations (DER) to DOA. Of the transferred GPR position, 3.0 positions would be authorized as unclassified positions.

Transferred Appropriations and Positions. Transfer the GPR amounts under DER to DOA's central general program operations appropriation and renumber and reestablish the following PR appropriations under DER as appropriations under DOA: (a) services to nonstate governmental units (\$245,000 PR in 2003-04 and \$265,000 in 2004-05 and 2.70 PR positions annually); (b) employee development and training services (\$561,500 PR in 2003-04 and

\$436,500 PR in 2004-05 and 2.55 PR positions annually); (c) funds received from other state agencies (\$691,000 PR annually); (d) publications (\$188,500 PR and 0.75 PR positions annually); and (e) collective bargaining grievance arbitrations (\$85,200 PR annually).

Included in the funding and position transfers to DOA would be 2.0 unclassified division administrator positions for the current DER Divisions of Compensation and Labor Relations and Merit Recruitment and Selection. The Executive Budget Book indicates that the Governor's intent is to establish two such similar divisions in DOA. In the bill, there is a provision establishing a Division of Merit Recruitment and Selection; however, there is no provision in the bill that would require the establishment of the other division. Under the bill, authorization would be provided for 1.0 additional unclassified position to be established in the Office of the Secretary of DOA with the responsibility to advise and assist the Secretary on matters related to affirmative action, equal employment opportunity, diversity, and other state employment relation matters. State Budget Office staff indicate that the intent is that the current position authority for the Administrator of the Division of Affirmative Action would instead be used to fill the proposed new position in DOA. This would not be an executive salary group (ESG) position, but rather the salary level for the position would be set by the Secretary.

With respect to the Administrator of the Division of Merit Recruitment and Selection position, provide that the Governor would appointment the Administrator from a list of three qualified individuals. The list would be created by a selection committee composed of the Chief Justice of the Supreme Court, the Speaker of the Assembly, the President of the Senate, and two individuals appointed by the Governor (one of whom may not be a state employee), or these individuals' designees. If none of the names are satisfactory, the Governor may request another list of three names. This process may be repeated indefinitely. Upon the advice and consent of the Senate, the individual would serve a five-year term.

Under current law, when there is a vacancy in that position, the Secretary of Employment Relations is required to provide the Governor with a position register containing at least five names from which the Governor may nominate a person to be the Administrator of the Division of Merit Recruitment and Selection. Subject to the advice and consent of the Senate, the nominee is appointed to a five-year term. The register of names from which the Governor may select a nominee is to be prepared by the Secretary on the basis of an examination for the position that is conducted in accordance with the general requirements used for the filling of positions in the classified service.

Transferred Functions. Transfer from DER to DOA the following: (a) state employment relations functions under Chapter 230 of the statutes and elsewhere; (b) all duties and responsibilities of the Secretary of DER, which would become the duties and responsibilities of the Secretary of DOA; (c) all assets, liabilities and tangible personal property; (d) all existing contracts, which would be honored by DOA until they expire; (e) all existing administrative rules and orders issued by DER, which would remain in effect until they expire or are modified by DOA; (f) all pending matters; and (g) all incumbent employees holding classified positions.

Transitional Provisions. Provide that transferred incumbent classified employees would hold the same rights and status as they enjoyed immediately prior to transfer, and would not be required to serve a probationary period, if they have already achieved permanent status. Specify that all of these provisions would become effective on the 30th day following publication of this provision.

Joint Finance/Legislature: Delete provision. [See "Department of Employment Relations" or "Office of State Human Resources Management" for additional information on changes made to the state employment relations function.]

6. TRANSFER OF CASH MANAGEMENT FUNCTIONS FROM STATE TREASURER'S OFFICE [LFB Paper 697]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$4,700		\$4,700	
PR	\$184,500	3.00	- \$4,700	0.00	\$179,800	3.00

Governor: Effective July 1, 2004, transfer the cash management functions of the Office of the State Treasurer and \$184,500 and 3.0 positions in 2004-05 to DOA. Funding would include: (a) \$159,500 for salaries and fringe benefits; and (b) \$25,000 for supplies and services. Transfer the statutory cash management duties and responsibilities of the Office of the State Treasurer to the DOA's Division of Executive Budget and Finance and all current statutory cash management duties and responsibilities of the State Treasurer to the Secretary of DOA, except the responsibility for the Treasurer to affix his or her signature to all checks or drafts to draw money from the state treasury. [The cash management responsibilities of the State Treasurer that would be transferred to DOA are described in greater detail under "State Treasurer."]

Authorize DOA to charge state agencies for its cost of providing banking service cost analysis and cash management assistance. Authorize the Secretary of DOA to establish separate custody accounts under each state fund for the receipt and expenditure of monies received for: (a) credit card interchange and association fees; and (b) transfers from the income account of the state investment fund to pay bank service costs.

Transfer all assets, liabilities, tangible property, contracts, and pending matters before the Office of State Treasurer that relate to cash management to DOA. Contracts would remain in effect until modified or rescinded by DOA in accordance with provisions of the contracts. Specify that all incumbent employees holding positions in the Office of State Treasurer who perform cash management functions are to be transferred to DOA, as determined by the Secretary of Administration, with all of their current rights and status. Specify that transferred employees that have attained permanent status would not be required to undergo a probationary period. However, since only 3.0 positions would be authorized under DOA (of the 5.0 positions that would be deleted from the Office of the State Treasurer), the State Budget

Office indicates that the actual intent is that the Secretary of DOA will determine that no more than three incumbent employees would actually be transferred.

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (\$4,700 in 2004-05) included in the amounts transferred to DOA. Require the agency to lapse to the general fund \$4,700 in 2004-05 from the PR account that the fifth week of vacation as cash payments had been budgeted. Estimate GPR-REV of \$4,700 in 2004-05.

[Act 33 Sections: 44 thru 47, 54 thru 69, 165, 166, 168, 170, 184 thru 186, 250m, 251m, 269, 277, 437, 471, 472, 573, 648, 649, 692 thru 704, 706, 707, 720, 738, 740, 805 thru 828, 830, 843 thru 846, 848, 870, 873, 906 thru 914, 924, 925, 940, 946, 1003, 1033, 1091, 1180, 1188, 1189, 1287, 1289, 1413, 1436, 1447, 1466, 1467, 1468, 1472b, 1482, 1483, 1485, 1517 thru 1522, 1524, 1530, 1531, 1532, 1535, 1536, 1539, 1541, 1581, 1582, 1583, 1584 thru 1589, 1599b, 1602, 1603, 1607, 1621, 1628, 1629 thru 1632, 1634 thru 1644, 1649, 1686, 1687, 1707, 1708, 1725 thru 1727, 1740, 1812, 1813, 1815, 1841 thru 1854, 1954 thru 1956, 1960, 1998, 2044, 2045, 2056, 2057, 2058, 2092, 2099, 2101 thru 2105, 2114 thru 2119, 2204 thru 2310, 2321 thru 2323, 2341, 2349 thru 2353, 2358, 2361, 2449 thru 2453, 2471, 2482, 2483, 2486, 2575, 2579, 2580 thru 2592, 2605 thru 2608, 2616, 2629, 2632, 2635 thru 2640, 2643 thru 2650, 2665 thru 2671, 2683 thru 2685, 2691, 2693 thru 2707, 2711, 2713 thru 2715, 2728, 2730, 2731, 2744, 2745, 2759 thru 2767, 2800, 2802 thru 2804, 9154(1), and 9454(1)]

7. TRANSFER OF RAILROAD REGULATION APPEALS TO THE DIVISION OF HEARINGS AND APPEALS FROM THE OFFICE OF THE COMMISSIONER OF RAILROADS [LFB Paper 640]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$400,000	- \$400,000	\$0

Governor: Provide increased expenditure authority of \$200,000 annually to fund additional hearing examiner costs associated with the transfer of appeals proceedings relating to railroad regulation from the Office of the Commissioner of Railroads (OCR) to DOA's Division of Hearings and Appeals. OCR, which is currently attached administratively to the Public Service Commission, would be eliminated on the effective date of the bill, and most of its current railroad regulation responsibilities would be transferred to the Department of Transportation (DOT).

For the purpose of resolving contested matters relating to railroad regulation, transfer this authority to the Division. Specify that administrative hearing procedures under Chapter 227 of the statutes would generally apply to these proceedings. Require the Administrator of the Division to assign a hearing examiner to preside over any hearing or review relating to the regulation of any of the following matters: adequacy of railroad fire protection devices; allocation of costs of railroad crossing improvements; adequacy of bridges, culverts, and drainage facilities near railroad rights-of-way; allocation of costs when two railroads intersect and the appropriate type of grade separation, if any, at proposed intersections; allocation of

costs of railroad spur tracks; safety and adequacy of railroad bridges, drawbridges, and fences; removal or transfer of railroad terminals, shops, stations, and agency service; adequacy and cost allocations of grade and highway crossing protections; exemption for vehicles otherwise required to stop at railroad crossings from stopping at a specified crossing; views, trees, and brush near crossings; and the determination of direct and remainder assessments for the costs of railroad regulation. Specify that existing penalties for failure to provide necessary documents or information to OCR or for violating OCR orders would now apply with respect to the Division.

Provide that in hearing these matters, the Division must give due weight to the experience, technical competence, and specialized knowledge of DOT as well as to the discretionary authority conferred upon DOT. Require the Division to give great weight to DOT's interpretation of the statutes and the rules that it administers. Provide that if there is a conflict between this new provision and any other statute relating to a hearing or review conducted by the Division, these new procedures would take precedence.

Require that DOT pay the costs of the hearing examiner in accordance with a schedule of fees developed by the Division. Specify that any appeals arising from examiners' decisions be heard by the Administrator of the Division, and that the determination of the Administrator would be the final decision of DOA. Allow appeal of the Administrator's decision for judicial review.

Require DOA to resolve certain disputes that might arise related to the transfer of tangible personal property, contracts, rules and orders, and pending matters from OCR to DOT. The Secretary of DOA would be required to determine the matter and develop a plan for an orderly transfer in the event of any disagreements between the Commissioner and the Secretary of DOT regarding such transfers [see "Office of the Commissioner of Railroads" under the Public Service Commission for more information about the elimination of OCR.]

Joint Finance/Legislature: Delete provision.

8. HIGHER EDUCATIONAL AIDS SUPPORT [LFB Paper 445]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$103,700	2.00	-\$103,700	- 2.00	\$0	0.00

Governor: Provide \$103,700 and 2.0 positions in 2004-05 to reflect the transfer of certain staff positions to DOA as part of the proposed reorganization of the Higher Educational Aids Board (HEAB). Specify that these positions would assist the Board of Regents of the UW-System in administering higher educational aids. The Executive Budget Book indicates that these positions would be attached to the Office of the Secretary of DOA.

Specify that the incumbent employees at HEAB subject to transfer to DOA would retain the same rights and employee status in DOA that they enjoyed at HEAB immediately prior to transfer. No transferred employee who had attained permanent status in his or her classified position would be required to serve a new probationary period.

Joint Finance/Legislature: Delete provision.

9. TRANSFER INJURED STATE WORKER REEMPLOYMENT FUNCTION FROM DWD

Governor/Legislature: Transfer responsibility for the injured state worker reemployment function from the Department of Workforce Development (DWD), Division of Vocational Rehabilitation to DOA's risk management function. Transfer the incumbent employee in DWD having responsibility for the rehabilitation of injured state employees to DOA and specify that the transferred employee would retain the same rights and employee status held prior to the transfer and would not be required to serve a probationary period if the employee had already achieved permanent status in his or her classified position. The DWD employee has actually been funded by DOA for many years through an interchange agreement to provide rehabilitation services for state employees. DOA would be required to reallocate base level supplies and services funding to salaries and fringe benefits to fund the position. No new position authority would be provided under DOA for the transferred position. The agency would be required to reallocate an exiting position.

[Act 33 Sections: 9101(7) and 9159(8)]

10. TRANSFER TEACH TO DOA [LFB Paper 712]

Governor: Transfer the functions of the TEACH Board to Public Instruction [see TEACH].

	Funding	Positions
GPR	\$7,493,100	0.00
FED	8,830,000	0.50
PR	12,625,000	0.50
SEG	33,786,500	1.00
Total	\$62,734,600	2.00

Joint Finance/Legislature: Delete the Governor's recommendation to eliminate the TEACH Board and transfer its programs to DPI. Instead, transfer the following programs and related funding to DOA.

Telecommunications Access. Transfer the telecommunications access program and associated funding to DOA, as shown in the following table. Provide \$108,900 SEG annually and 1.0 SEG position for administration, beginning in 2003-04, which would be included in the appropriation for school districts, cooperative educational service agencies (CESAs), and charter schools.

<u>Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
School Districts, CESAs and Charter Schools	\$10,893,400	\$11,324,200	SEG
Private Colleges, Technical Colleges and Libraries	4,735,500	5,066,000	SEG
Private K-12 Schools	708,100	701,300	SEG
State Residential Schools	75,000	68,200	SEG
Secured Juvenile Corrections Facilities	112,500	102,300	SEG

This program is funded from the state universal service fund that receives revenues through assessments on annual gross operating receipts from intrastate telecommunications providers, which they are allowed to fully recover through an adjustment applied to subscribers' local exchange service rates.

Infrastructure Financial Assistance. Transfer the infrastructure financial assistance program to DOA. Modify the total amount allocated for debt service by: (a) -\$2,150,000 GPR and \$2,150,000 PR annually; and (b) -\$55,300 GPR in 2003-04 and -\$50,000 GPR in 2004-05 due to debt service reestimates. The following table shows the amounts that would be allocated under this proposal.

<u>Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
Debt Service for K-12 Schools	\$3,062,900	\$4,333,300	GPR
Debt Service for Public Libraries	2,900	94,000	GPR
Debt Service for K-12 Schools--Local Share	5,326,700	6,585,400	PR
Debt Service for Public Libraries--Local Share	102,800	209,800	PR

E-rate. Transfer state administration of the E-rate program and associated funding to DOA. Provide \$4,415,000 FED annually in federal E-rate aid, including \$35,000 FED annually and 0.5 FED position for DOA's administration of the E-rate program. The Education Rate, or E-rate program, was created by the Federal Telecommunications Act of 1996, and it is administered by the Schools and Libraries Division of the Universal Service Administrative Company, attached to the Federal Communications Commission. E-rate discounts on telecommunications services are provided according to a community's low-income population and rural or urban status.

GWETC. Transfer administration of the Governor's Wisconsin Educational Technology Conference (GWETC) and associated funding to DOA. Provide \$188,900 PR in 2003-04 and \$211,400 PR in 2004-05, including \$31,400 PR annually for 0.5 PR position for administration of the GWETC.

WATF. Transfer the Wisconsin Advanced Telecommunications Foundation (WATF) assessments appropriation to DOA. Provide that monies received by the WATF assessments appropriation be used to promote the use of educational technology in the state, rather than offset the block grants appropriation as under current law.

Transition Provisions. Provide that the incumbent employees transferred from TEACH to DOA would retain all employment rights and status that they held prior to the transfer and that no transferred employee who had attained permanent status in the classified service would be required to serve a new probationary period.

Allow DOA to enter into cooperative purchasing agreements under which participating school districts and CESAs may contract for their professional employees to receive training concerning the effective use of technology.

Transfer from TEACH to DOA all assets, liabilities, tangible personal property, and records that are primarily related to the functions of TEACH, as determined by the Secretary of DOA. Transfer all outstanding loans made under the infrastructure financial assistance program from TEACH to DOA. Provide that all contracts entered into by TEACH or DOA on behalf of TEACH that were in effect prior to the transfer would remain in effect until their specified expiration date or until they were rescinded or modified by DOA. Specify that all rules promulgated and orders issued by TEACH that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by DOA. Provide that any pending matters would transfer to DOA and all materials submitted to TEACH or actions taken by TEACH concerning the pending matter would be considered as having been submitted to or been taken by DOA.

Clarify that the existing contracts grant portion of the telecommunications access program would sunset on December 31, 2005.

Veto by Governor [A-14]: Delete provisions that would have eliminated the requirement that DOA cooperate with DPI to support the development of courses for the instruction of professional employees who are licensed by the State Superintendent concerning the effective use of educational technology.

Under the 2001-03 state statutes, TEACH was required to cooperate with DPI in the development of these courses. Under the Governor's recommendation TEACH programs and funding would have been transferred to DPI, thus eliminating the need to have a statutorily mandated cooperation agreement. Legislative provisions transferred TEACH programs and funding to DOA rather than DPI; however, the mandate for cooperation on the development of courses for the instruction of professional employees on the use of educational technology was not restored. The Governor's veto restores the cooperation requirement, in this case between DOA and DPI.

[Act 33 Sections: 196d, 204d, 210d, 234d, 236d thru 238r, 361d, 364d, 365d, 369d, 370d, 374d, 376d, 378d, 380d thru 384d, 572, 587k, 588m thru 588r, 637d, 641d, 642d, 680, 688d, 689d, 934d, 1036d, 1038d, 1039d, 1041d thru 1050d, 1053d thru 1057d, 1062d, 1068d thru 1085d, 1087d, 1088d, 1994d, 2032d, 2311d, 2312d thru 2314d, 2316d, 9101(10d), 9150(1d), 9215(1), and 9415(1)]

[Act 33 Vetoed Section: 1057d]

Transfers from the Department to Other Agencies

1. ALLOCATION OF UTILITY PUBLIC BENEFITS FUNDS [LFB Papers 115 and 116]

Governor: Allocate \$27,100,000 SEG in 2004-05 from the utility public benefits fund to supplement: (a) county and municipal aid payments (\$20,000,000 SEG in 2004-05); and (b) earned income tax credits (\$7,100,000 SEG in 2004-05). The county and municipal aid payment appropriation would be repealed on July 1, 2005. The fiscal effects of these two allocations are identified, respectively, under "Shared Revenue and Tax Relief" and under "General Fund Taxes."

Joint Finance/Legislature: Allocate from the utility public benefits fund an additional \$17,600,000 SEG in 2003-04 to supplement county and municipal aid payments and \$2,368,800 SEG in 2004-05 for earned income tax credits. Of the amounts provided for earned income tax credits, \$236,800 SEG would be provided directly to that appropriation and \$2,132,000 SEG would be provided directly to DWD for TANF eligible activities. An equivalent amount of TANF funds would be utilized to support the earned income tax credit expenditures. The fiscal effects of these additional allocations are identified, respectively, under "Shared Revenue and Tax Relief" and under "General Fund Taxes."

[Act 33 Sections: 665, 666, 667, 668, 1656, 1657m, 1660, and 9445(1)]

2. TRANSFER THE DIVISION OF HOUSING TO THE DEPARTMENT OF COMMERCE [LFB Paper 117]

Funding Positions		
GPR	- \$10,673,200	- 7.80
FED	- 71,204,000	- 6.25
PR	- <u>13,645,200</u>	- <u>3.95</u>
Total	- \$95,522,400	- 18.00

Governor: Delete \$5,336,600 GPR, \$35,602,000 FED, and \$6,822,600 PR and 7.8 GPR, 6.25 FED, and 3.95 PR positions annually to reflect the transfer of most of the Division of Housing to the Department of Commerce, effective 30 days after the publication of the bill. Transfer the Division's functions, funding and positions, as determined by the Secretary of DOA, to the Department of Commerce or to DOA's general administrative operations.

The following functions would be transferred:

Housing Cost Grants and Loans. Transfer to Commerce the responsibility for the distribution of housing cost grants and loans and \$2,800,300 GPR annually. The program provides grants to eligible governmental housing authorities and to organizations to fund grants and loans to low- or moderate-income persons for defraying principal and interest on mortgages, closing costs, insurance and related costs.

Local Housing Organization Assistance. Transfer to Commerce the responsibility of providing grant assistance to local housing organizations and \$500,000 GPR annually. The funds may be used for salaries, fringe benefits, or administrative operating costs to assist these

organizations in developing their capacity to provide new or expanded housing and counseling opportunities for low- or moderate-income households.

Transitional Housing Grants. Transfer to the transitional housing program and \$375,000 GPR annually. The program provides grants to organizations; community action agencies; and county or municipal governments for operating transitional housing and support services for the homeless.

State Shelter Subsidy Grants. Transfer to Commerce the authority to administer the state shelter subsidy grant program and \$1,131,000 GPR annually. The program provides grants to organizations, community action agencies, Native American tribes, housing authorities and county or municipal governments for renovating, developing or expanding homeless shelters. Grants may not exceed 50% of the operating costs of the shelter facility.

Homeless Grants from Interest Bearing Real Estate Accounts (IBRETA). Transfer to Commerce the IBRETA program, which makes grants funded from earnings on interest-bearing real estate common trust accounts to organizations that provide shelter to homeless individuals. There is no base level funding associated with this program.

Federal Assistance Programs. Transfer to Commerce \$35,602,000 FED and 6.25 FED positions annually for the operation of federally supported housing programs, including administration of federal awards from HUD under the Stewart B. McKinney Homeless Assistance Act, including funds for the Emergency Shelter Grant and Continuum of Care Supportive Housing programs.

Transfer responsibility for the operation of the Home Investment Partnership Program (HOME) to Commerce. Federal HOME funding supports housing programs designed to support home ownership opportunities, rental rehabilitation; rental housing development; accessibility improvements; and weatherization-related repairs. Transfer administration of the housing rehabilitation component of the federal small cities community development block grant (CDBG) program. Delete the requirement that Commerce contract with DOA for the administration of CDBG's for housing improvement.

Under current law Commerce, which is the state agency designated by the federal government for the receipt of federal CDBG allocations, contracts with DOA for the provision of housing services. Under the general CDBG program, federal funds are provided to municipalities for activities such as housing rehabilitation, acquisition, relocation, handicapped accessibility improvements, home ownership assistance, public facilities improvements and economic development. Prior to this proposed transfer, Commerce has retained 70% of the funds and the balance has been transferred to the DOA's Division of Housing for the housing rehabilitation initiatives. Transfer to Commerce \$6,822,600 PR and 3.95 PR positions annually, funded from housing program services allocations from other agencies.

Program Administration and Other Responsibilities. Transfer to Commerce \$530,300 GPR and 7.8 GPR positions for general administration of the housing function and a variety of other responsibilities relating to housing, including: (a) requesting certain surplus real property, at no

cost, from other state agencies; (b) preparing a comprehensive five-year state housing strategy plan for the federal Department of Housing and Urban Development; and (c) reporting on the impact of any bill on state housing policy, if the bill affects the development, construction, cost or availability of housing in the state.

The following function would be modified and retained in DOA:

Low-Income Energy and Weatherization Assistance. Retain the low-income energy and weatherization assistance programs in DOA under the agency's supervision and management functions. The amounts retained in DOA total \$189,500 GPR, \$74,085,100 FED, and \$10,000,000 PR annually and 2.0 GPR and 26.9 FED positions annually. Although the proposal would repeal the statutory requirement that a Division of Housing be created under DOA with an unclassified administrator, the agency's existing 1.0 GPR unclassified position authority associated with this position would not be transferred to Commerce, but would be retained in DOA. The apparent intent is to allocate this position to administer a land information and intergovernmental relations function.

Transition Provisions. Specify that 30 days after the publication of the bill: (a) the assets and liabilities of DOA's Division of Housing would become the assets and liabilities of Commerce; (b) all full-time equivalent positions in DOA's Division of Housing would be transferred to Commerce; (c) all tangible personal property, including records, of DOA's Division of Housing would be transferred to Commerce; (d) all contracts entered into by DOA relating to the Division of Housing that are in effect on that date remain in effect and would be transferred to Commerce; (e) Commerce would be required to carry out any contractual obligations under contracts entered into by DOA's Division of Housing until the contracts are modified or rescinded by Commerce to the extent allowed under the contracts; (f) all rules promulgated by DOA relating to housing matters that are in effect on that date would remain in effect until their specified expiration dates or until amended or repealed by Commerce; (g) all orders issued by DOA relating to the Division of Housing that are in effect on that date would remain in effect until their specified expiration dates or until modified or rescinded by Commerce; and (h) any matter pending with DOA's Division of Housing on that date would be transferred to Commerce, and all materials submitted to or actions taken by DOA's Division of Housing with respect to the pending matter would be considered as having been submitted to or taken by Commerce.

Specify that all incumbent employees holding positions subject to transfer from DOA's Division of Housing would be transferred to Commerce. Specify that: (a) all transferred employees would retain the same rights and employee status in Commerce that they enjoyed in DOA immediately prior to transfer; and (b) no transferred employee who had attained permanent status in his or her classified position would be required to serve a new probationary period.

Provide that during the period between the general effective date of the bill and 30 days after that date, the appropriations of DOA's Division of Housing provided for the 2002-03 fiscal year would remain in effect, except that DOA could not expend or encumber more than one-twelfth of the amounts appropriated for the 2002-03 fiscal year from each appropriation.

Joint Finance/Legislature: Include provision with a technical correction to properly reference an appropriation from which low-income home energy assistance payments are made to local governmental agencies and non-profit organizations.

[Act 33 Sections: 5 thru 7, 86, 150 thru 163, 188, 223, 576, 593 thru 604, 804, 1101 thru 1104, 1464, 1500, 1684, 1685, 1705, 1993, 2048, 2318, 2359, 2360, 2369, 2370, 2444 thru 2448, 2619, 2658, 2743, 2777, 9101(4)&(10), and 9401(1)]

3. TRANSFER VOLUNTEER FIREFIGHTER SERVICE AWARD PROGRAM TO THE DEPARTMENT OF COMMERCE [LFB Paper 118]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$1,348,400	\$1,348,400	\$0

Governor: Transfer the Volunteer Firefighter and EMT Service Award Board, the administrative responsibilities for the program, and funding of \$674,200 annually (\$653,900 for awards and \$20,300 for program support) to the Department of Commerce. The transfer would be effective 30 days after the publication of the bill.

Under current law the Volunteer Firefighter and EMT Service Award Board is attached to DOA. Any city, village or town that operates or contracts with a volunteer fire department or authorizes volunteer EMT services may participate in the award program. These municipalities may contribute whatever amount they wish to a third-party administrator to maintain an account on behalf of the volunteer. The state Volunteer Firefighter and EMT Service Award Board provides an initial match to the municipal contributions of up to \$250 per individual account per year, subject to an adjustment for inflation. Upon meeting certain age and vesting requirements, the volunteer firefighter or EMT program participant may withdraw the accumulated service award amounts plus investment returns, at retirement. Awards are funded from a GPR sum sufficient appropriation, subject to a statutory annual expenditure cap of \$2,000,000. Awards would be prorated if the \$2,000,000 annual expenditure limit were exceeded.

Replace the Secretary of DOA with the Secretary of Commerce on the Volunteer Firefighter and EMT Service Award Board. Currently, the Board consists of the DOA Secretary, a volunteer firefighter who is a fire chief, a volunteer firefighter, a volunteer emergency medical technician, three representatives of municipalities that operate volunteer fire departments, and a member who has experience in financial planning.

Joint Finance/Legislature: Delete provision.

4. SENTENCING COMMISSION -- FUNDING AND POSITION ADJUSTMENTS [LFB Paper 246]

Funding Positions		
GPR	\$323,400	- 4.00

Governor/Legislature: Adjust the funding of the Sentencing Commission as follows: (a) provide \$300,500 annually for full funding of salaries and fringe benefits for the Sentencing Commission positions; (b) provide \$60,000 annually for increased supplies and services funding; and (c) reduce the Commission's total funding by \$198,800 and 4.0 positions annually as a base budget reduction measure. Base funding for the Commission is \$140,000 and 6.0 positions. Following these adjustments, the remaining funding for the Commission in DOA would be \$301,700 and 2.0 unclassified positions annually.

5. SENTENCING COMMISSION -- TRANSFER TO THE DEPARTMENT OF CORRECTIONS [LFB Paper 246]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$603,400	- 2.00	\$471,200	2.00	-\$132,200	0.00

Governor: Transfer the Sentencing Commission from DOA to the Department of Corrections on the effective date of the bill. Reduce funding and position authority under in DOA by \$301,700 and 2.0 positions annually to reflect this transfer. Under the bill, the total Sentencing Commission funding and positions in DOA subject to transfer would be determined as follows:

	2003-04		2004-05	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
Sentencing Commission Base Budget	\$140,000	6.00	\$140,000	6.00
Funding and Position Adjustments under DOA				
Full Funding of Salaries and Fringe Benefits	\$300,500	0.00	\$300,500	0.00
Increased Supplies and Services	60,000	0.00	60,000	0.00
Budget Reduction	<u>-198,800</u>	<u>-4.00</u>	<u>-198,800</u>	<u>-4.00</u>
Total Adjustments	\$161,700	-4.00	\$161,700	-4.00
Transferred to Department of Corrections	-\$301,700	-2.00	-\$301,700	-2.00

Joint Finance/Legislature: Delete provision, thereby retaining the Sentencing Commission under DOA. Adjust salary and fringe benefits funding for the Commission by -\$66,100 annually. Total Sentencing Commission funding and positions in DOA would be as follows:

	2003-04		2004-05	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
Sentencing Commission Base Budget	\$140,000	6.00	\$140,000	6.00
Funding and Position Adjustments under DOA				
Full Funding of Salaries and Fringe Benefits	\$300,500	0.00	\$300,500	0.00
Increased Supplies and Services	60,000	0.00	60,000	0.00
Budget Reduction	-198,800	-4.00	-198,800	-4.00
Salary and Fringe Benefit Adjustment	<u>-66,100</u>	<u>0.00</u>	<u>-66,100</u>	<u>0.00</u>
Total Adjustments	\$95,600	-4.00	\$95,600	-4.00
Total Sentencing Commission Funding	\$235,600	2.00	\$235,600	2.00

6. TRANSFER OF OPERATION FRESH START PROGRAM TO THE DEPARTMENT OF WORKFORCE DEVELOPMENT [LFB Papers 117 and 835]

Governor: Transfer the operation of the Operation Fresh Start (OFS) program from DOA to the Department of Workforce Development (DWD). Currently, there is no statutory language governing the program or identifiable on-going amounts of base level funding. Consequently, no funding or positions would actually transfer from DOA to DWD under this initiative. The Governor's intent is identified only in the Executive Budget Book.

A state Operation Fresh Start program was begun under DOA's Division of Housing and Intergovernmental Relations as a result of a directive from the Governor in the 1998-99 fiscal year. Since that time, the program has been supported from a variety of funding sources, including WHEDA general surplus reserves, Americorps funds, oil overcharge restitution funds and gifts and grants. The Governor has recommended that DWD be provided 1.0 PR position annually to administer the program in that agency. That position would be funded with monies obtained for OFS projects.

The state Operation Fresh Start program is based on a long-running Madison program of the same name that is designed to provide at-risk young people with education, employment skills and career direction leading to economic self-sufficiency. The purpose of the state program is to establish comparable projects throughout the state using the Madison program as the model.

Joint Finance/Legislature: Transfer program to the Department of Commerce rather than to DWD.

Office of Justice Assistance

1. COUNTY, COUNTY-TRIBAL AND TRIBAL LAW ENFORCEMENT GRANT PROGRAMS [LFB Paper 134]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,556,000	1.00	-\$2,256,000	- 1.00	-\$700,000	0.00

Governor: Make the following changes to current county, county-tribal and tribal law enforcement grant programs:

Program Transfers from DOJ. Provide \$778,000 and 1.0 position annually under the Office of Justice Assistance (OJA) to reflect the transfer of the cooperative county-tribal law enforcement grant program, funding and associated staff support from the Department of Justice (DOJ).

Program Consolidation under OJA. Combine the total funding associated with DOJ's transferred cooperative county-tribal law enforcement grant program and administrative function [\$778,000 annually] with OJA's existing county law enforcement services grant program [funded at \$250,000 annually] and make the statutory program modifications described below. Retitle OJA's county law enforcement services appropriation as the county and tribal law enforcement assistance appropriation. A technical correction is necessary to permit OJA to fund the transferred position and associated supplies and services from this appropriation.

Repeal OJA's existing tribal law enforcement assistance appropriation [funded at \$1,050,000 annually] and consolidate this base level funding into the modified county and tribal law enforcement assistance appropriation. Repeal various tribal gaming appropriations and make necessary statutory cross-reference changes to reflect these consolidations. The combined funding in the consolidated OJA appropriation from the three previously separate grant programs would total \$2,078,000 annually. Under the bill, OJA would have discretion as to the distribution of funds between the modified county-tribal and tribal grant programs. Tribal gaming receipts provide the program revenue for these programs.

Current Law Grant Programs. A county is eligible to participate in DOJ's county-tribal law enforcement grant program if: (a) a county has one or more federally-recognized Indian reservations within or partially within its boundaries; (b) the county enters into an agreement with an Indian tribe located in the county to establish a cooperative county-tribal law enforcement program; (c) the county and tribe develop and annually submit a joint program plan to DOJ for approval by December 1 of the year prior to the year funding is sought; and (d) for second and subsequent year funding, the county and tribe submit with the joint program plan a report on the performance of law enforcement activities on the reservation in the

previous fiscal year. Adjusted base funding for DOJ's grant program is \$778,000 annually, including \$708,400 annually for actual grant funding.

A county is eligible to participate in OJA's county law enforcement services grant program if: (a) the county borders one or more federally-recognized Indian reservations; (b) the county has not established a cooperative county-tribal law enforcement program under DOJ's grant program with each such tribe or band; (c) the county demonstrates a need for grant-eligible law enforcement services; and (d) the county applies for a grant and submits a proposed plan showing how the funds will be used to support law enforcement services. Adjusted base funding for this program is \$250,000 annually.

A tribe is eligible to participate in OJA's tribal law enforcement assistance grant program if it submits an application that includes a proposed plan for expenditure of the grant funds. OJA is required to develop criteria and procedures in administering this program. In evaluating the grant applications, OJA considers: (a) the demonstrated need for law enforcement operations and services by the tribe; (b) the feasibility of the proposed plan for addressing that need; (c) the extent to which resources are otherwise unavailable; and (d) the extent to which a tribe has provided, or has attempted to provide, full compensation to local government units for services provided to the tribe. Adjusted base funding for this program is \$1,050,000 annually.

Proposed Statutory Modifications. In conjunction with the consolidation of the DOJ county-tribal law enforcement grant program and the OJA county law enforcement services grant program, specify that a county would be eligible to participate in the modified county and tribal law enforcement grant program if: (a) the county has one or more federally-recognized American Indian reservations within or partially within its boundaries or the county borders on one or more federally recognized reservations; (b) the county board adopts a resolution entering into an agreement with such a reservation to establish a cooperative county-tribal law enforcement program; and (c) the county submits to OJA a proposal for expenditure of grant funds.

Authorize OJA to require counties to include the following in any grant application: (a) a description of cooperative county-tribal law enforcement programs or law enforcement services for which the county requests funding; (b) a description of the population and geographic area that the county proposes to serve; (c) the county's need for grant funding and the amount of funding requested; (d) identification of the county unit that would administer the grant funds and a description of how such funds would be disbursed; and (e) any other information deemed relevant by OJA or by the county submitting the application. Direct OJA to develop criteria and procedures for use in administering the program, and specify that such criteria and procedures would not have to be promulgated as administrative rules.

No statutory changes would be made to the operation of the current tribal law enforcement assistance grant program.

Transition Provisions. On the effective date of the bill, transfer the assets and liabilities, tangible personal property, and contracts of DOJ primarily related to its county-tribal law enforcement grant program, as determined by the Secretary of DOA, to OJA. Specify that all incumbent employees of DOJ having duties primarily related to its county-tribal law enforcement grant program, as determined by the Secretary of DOA, would be transferred to OJA. Provide that: (a) all transferred employees would retain the same rights and employee status in OJA that they enjoyed in DOJ immediately prior to the transfer; and (b) no transferred employee who had attained permanent status in his or her classified position would be required to serve a new probationary period. Specify that the pending matters, and rules and orders of DOJ primarily related to its county-tribal law enforcement grant program, as determined by the Secretary of DOA, would become the pending matters, rules and orders of OJA.

Joint Finance/Legislature: Delete provision thereby retaining separate tribal law enforcement assistance and county law enforcement services grant programs under OJA and a separate county-tribal law enforcement grant program under DOJ. In addition, delete \$350,000 annually in base funding from OJA's tribal law enforcement assistance grant program.

2. STATE AND LOCAL PENALTY ASSESSMENT MATCH FUNDING FOR THE FEDERAL ANTI-DRUG ENFORCEMENT PROGRAM [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$266,200	- \$239,900	- \$506,100

Governor: Delete \$33,700 in 2003-04 and \$232,500 in 2004-05 in penalty assessment match money for the federal Byrne anti-drug enforcement program to reestimate Byrne match requirements. This reestimate reflects the following adjustments: (a) -\$243,300 in 2003-04 and -\$379,300 in 2004-05 in state penalty assessment match money; and (b) \$209,600 in 2003-04 and \$146,800 in 2004-05 in local penalty assessment match money.

The Byrne grant program was established under the federal Anti-Drug Abuse Act of 1988. Byrne grant funds may be used to address drug control, violent and serious crimes, subject to a 25% match requirement. Under current law, penalty assessment revenues are used to match federal anti-drug law enforcement funds that are distributed to state agencies, to local units of government, and to OJA for administration. For state programs, OJA provides the full 25% match amount required under the federal Byrne program. OJA generally provides 15% of the required match for local programs, with the local unit of government required to provide the remaining 10% match.

Joint Finance/Legislature: Make the following changes: (a) delete \$158,300 PR annually in duplicative penalty assessment matching funds for OJA administration; (b) reallocate \$15,600 PR annually of these deleted funds to children's community grants to provide the full match for these grants (see Item #3); and (c) direct OJA to reduce penalty assessment matching funds by a further \$22,300 PR annually from local assistance programs receiving new or increased penalty

assessment matching funds during 2003-05.

Reallocate \$165,000 PR annually in penalty assessment matching funds (\$142,700 PR annually remaining from the deleted OJA administrative funds and \$22,300 PR annually allocated from the local assistance program reductions) and the associated Byrne funding of \$495,000 FED annually to fund 11.0 FTE assistant district attorney positions deleted as part of base budget reductions recommended by the Governor for the District Attorney function. [See "District Attorneys" for the fiscal effect of this reallocation.]

Provide additional expenditure authority of \$135,300 PR in 2003-04 and \$201,600 PR in 2004-05 in local penalty assessment match funds and delete expenditure authority of \$288,400 PR annually in state penalty assessment match funds to correctly reflect local and state match requirements under all of the Committee's actions.

Veto by Governor [C-6]: Delete the requirement that OJA reallocate \$165,000 PR annually in penalty assessment matching funds and the associated Byrne funding of \$495,000 FED annual to fund 11.00 FTE assistant district attorney positions. In addition, delete the requirement that OJA reduce penalty assessment matching funds by \$22,300 PR annually from local assistance programs receiving new or increased penalty assessment matching funds during 2003-05. [See "District Attorneys," for the fiscal effect of this veto.]

[Act 33 Vetoed Section: 9101(13p)]

3. CHILDREN'S COMMUNITY PROGRAMS GRANT ALLOCATIONS [LFB Paper 270]

Governor: Require OJA to distribute \$185,000 annually of current federal Byrne anti-drug enforcement program grant funds for the following children's community programs:

Milwaukee Career Youth Development Center. The Career Youth Development Center in the City of Milwaukee would receive \$80,000 annually for the operation of a minority youth substance abuse treatment program.

Court-Appointed Special Advocate Programs. Court-appointed special advocate programs that are recognized by a chief judge of a judicial administrative district would receive \$50,000 annually to perform advocacy services for children in need of protection and services (CHIPS) proceedings.

Children's Safe House Child Care Program. The Children's Safe House Child Care program in Kenosha County would receive \$50,000 annually for the operation of that program.

Milwaukee Police Athletic League. The Milwaukee Police Athletic League to purchase sports and recreational equipment would receive \$5,000 annually for two gymnasium facilities, and to contribute to the operating expenses of those gymnasium facilities.

Under current law, the Department of Health and Family Services (DHFS) is required to provide annual, GPR funded grants to these programs at the indicated funding levels. These

statutory responsibilities would be transferred to OJA. The GPR fiscal effect of this transfer and funding conversion is reflected under DHFS.

The federal Byrne program requires grant recipients to provide a 25% match. The state provides the 25% match for state programs and generally provides a 15% match for local programs, with penalty assessment revenues. Local units of government are generally required to provide the other 10% match.

Joint Finance/Legislature: Clarify that the Department of Health and Family Services, rather than the individual children's community program subgrantees, would receive the penalty assessment match and associated Byrne funding from OJA. Provide an additional \$15,600 annually of penalty assessment match funding (provided under Item #2 above) to provide the higher 25% state match required for Byrne funds distributed to a state agency.

Under current law, federal Byrne grant funds may only be subgranted to state and local governmental units, as well as Native American Tribes with law enforcement functions that the federal government recognizes.

[Act 33 Sections: 230 and 1158 thru 1165]

4. FEDERAL HOMELAND SECURITY FUNDING [LFB Paper 121]

Governor: Require OJA to apply for contracts, and receive and expend federal funds related to homeland security. Create a FED continuing appropriation under OJA for the receipt and expenditure of aid for homeland security programs. As a continuing appropriation, OJA would have the authority to expend all available federal revenues credited to this appropriation, subject to the Department of Administration allotment process. No estimate of fund expenditures under this new appropriation is included.

Joint Finance/Legislature: Delete provision. Transfer administration of federal homeland security funding to the Adjutant General. [See "Military Affairs."]

Veto by Governor [C-33]: Delete the transfer of the administration of federal homeland security funding to the Adjutant General. The Governor's veto states that OJA has instead been designated as the lead agency to administer these federal funds. [See "Military Affairs," for a summary of the vetoed language relating to this provision.]

5. ELIMINATION OF PENALTY ASSESSMENT DEFICIT [LFB Paper 120]

PR	- \$50,400
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Joint Finance/Legislature: *Penalty Assessment Surcharge Receipts Appropriations Balance Reestimates.* Reestimate the closing balance for the following penalty assessment surcharge receipts program revenue appropriations: (a) -\$1,116,700 in 2003-04 and -\$1,573,500 in 2004-05 under the appropriation in DOJ; and (b) -\$515,700 in 2003-04 and -\$153,600 in 2004-05 under the appropriation in OJA. These reestimates are based upon more recent data and revised opening

balance projections.

Include the following additional changes to address a projected penalty assessment deficit in these receipts appropriations:

Reallocation of Penalty Assessment Surcharge Revenues. Provide that 48% of penalty assessment surcharge revenues, rather than the current eleven twenty-fourths (45.8%), be credited to DOJ's penalty assessment surcharge receipts appropriation and the remaining 52% of penalty assessment surcharge revenues, rather than the current thirteen twenty-fourths (54.2%), be credited to OJA's penalty assessment surcharge receipts appropriation.

Unencumbered Balances Transfers and Across-the-Board Reductions. Transfer 75% of the total unencumbered balances from all penalty assessment appropriations on June 30, 2003, to OJA's penalty assessment receipts appropriation and transfer 25% of the total unencumbered balances from all penalty assessment appropriations on June 30, 2003, to DOJ's penalty assessment receipts appropriation. Adjust expenditures under the following appropriations funded from DOJ and OJA penalty assessment receipts based on the following across-the-board (ATB) reductions: (a) 6.5% to most DOJ and OJA penalty assessment appropriations (-\$1,081,200) in 2003-04; and (b) 0.5% to most DOJ and OJA penalty assessment appropriations (-\$83,200) in 2004-05.

OJA Penalty Assessment Receipts Fund Condition

	Funding Totals			
	6.5% ATB Reduction		0.5% ATB Reduction	
	Pre-ATB 2003-04	After ATB 2003-04	Pre-ATB 2004-05	After ATB 2004-05
Opening Balance	-\$372,500	-\$372,500	-\$443,000	\$50,900
Revenue				
Estimated Revenue	9,429,800	9,429,800	9,807,000	9,807,000
Estimated Unencumbered 2001-03 Balances	<u>465,600</u>	<u>465,600</u>	<u>0</u>	<u>0</u>
Total Available Revenue	\$9,522,900	\$9,522,900	\$9,364,000	\$9,857,900
Expenditures				
20.255(1)(kd) Alcohol and other drug abuse program	\$800,000	\$748,000	\$800,000	\$796,000
20.255(2)(kd) Aid for alcohol and other drug abuse programs	1,573,500	1,471,200	1,573,500	1,565,600
20.410(1)(kh) Victim services and programs	227,700	212,900	227,700	226,600
20.410(1)(kp) Correctional officer training	1,818,100	1,699,900	1,826,100	1,817,000
20.455(2)(ke) Drug enforcement intelligence operations	1,496,200	1,398,900	1,505,000	1,497,500
20.455(5)(kp) Reimbursement to counties for victim-witness services	773,000	722,800	773,000	769,100
20.505(6)(k) Law enforcement programs, youth diversion-admin.	161,000	161,000	161,000	161,000
20.505(6)(kj) Youth diversion program	720,000	673,200	720,000	716,400
20.505(6)(kp) Byrne, penalty assessment-local	1,445,800	1,445,800	1,449,300	1,449,300
20.505(6)(kt) Byrne, penalty assessment-state	761,100	761,100	625,100	625,100
20.550(1)(kj) Conference and training	<u>122,700</u>	<u>114,700</u>	<u>122,700</u>	<u>122,100</u>
Total Expenditures	\$9,899,100	\$9,409,500	\$9,783,400	\$9,745,700
Supplements & Reserves				
20.410(1)(kh) Victim services and programs	\$66,800	\$62,500	\$70,100	\$69,700
Total Expenditures & Reserves	\$9,965,900	\$9,472,000	\$9,853,500	\$9,815,400
Closing Balance	-\$443,000	\$50,900	-\$489,500	\$42,500

DOJ Penalty Assessment Receipts Fund Condition

	Funding Totals			
	6.5% ATB Reduction		0.50% ATB Reduction	
	Pre-ATB	After ATB	Pre-ATB	After ATB
	<u>2003-04</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2004-05</u>
Revenue				
Opening Balance	-\$327,500	-\$327,500	-\$568,600	\$23,000
Revenue				
Estimated Revenue	8,704,500	8,704,500	9,052,600	9,052,600
Estimated Unencumbered 2001-03 Balances	<u>155,200</u>	<u>155,200</u>	<u>0</u>	<u>0</u>
Total Available	\$8,532,200	\$8,532,200	\$8,484,000	\$9,075,600
Expenditures				
20.455(2)(j) Law enforcement training fund, local assistance	5,345,700	4,998,200	5,345,700	5,319,000
20.455(2)(ja) Law enforcement training fund, state operations	3,377,800	3,158,200	3,377,800	3,360,900
20.455(2)(jb) Crime laboratory equipment and supplies	<u>377,300</u>	<u>352,800</u>	<u>377,300</u>	<u>375,400</u>
Total Expenditures	\$9,100,800	\$8,509,200	\$9,100,800	\$9,055,300
Closing Balance	-\$568,600	\$23,000	-\$616,800	\$20,300

Affected OJA Operations Appropriations. Delete \$46,800 in 2003-04 and \$3,600 in 2004-05 budgeted for youth diversion programs to comply with these across-the-board reductions. Three appropriations under OJA that receive penalty assessment funds [ss. 20.505(6)(k), (kp) and (kt)], are used to provide the necessary match for federal anti-drug law enforcement Byrne grant funds. These appropriations would be exempt from the across-the-board budget reductions. For every dollar in penalty assessment funds taken from these appropriations, the state would lose a corresponding three dollars in federal Byrne grant funding during the next biennium.

[Act 33 Sections: 556t, 588t, 2671g, 9101(11p), 9201(1p), 9210(1p), 9215(1), 9232(1p), 9240(1p), and 9241(1p)]

Division of Gaming

1. BASE BUDGET REDUCTIONS [LFB Paper 130]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$671,600	- 4.00	\$275,700	0.00	-\$395,900	- 4.00

Governor: Delete \$335,800 and 4.0 positions annually under the Governor's budget efficiency measures provision. The reductions would be as follows: (a) -\$189,300 and -2.0 positions annually from the appropriation for general program operations for Indian gaming; and (b) -\$146,500 and -2.0 positions annually from the appropriation for the general program operations for racing.

Joint Finance/Legislature: Provide \$223,800 in 2003-04 and \$51,900 in 2004-05, as follows: (a) \$386,200 in 2003-04 and \$214,300 in 2004-05 and 4.0 positions annually to the Office of Indian Gaming; (b) -\$129,300 and -3.0 positions annually from the general program operations appropriation for racing; and (c) -\$33,100 and -1.0 position annually from the general program operations appropriation for bingo regulation. Require DOA to provide a report on supplies and services expenditures in 2003-04 relating to the funding provided (\$223,700) for the expanded responsibilities of the Office of Indian Gaming under the 2003 state-tribal gaming compact amendments. Require that the report be submitted to the Joint Committee on Finance on or before September 1, 2004.

Veto by Governor [D-7]: Delete the requirement that DOA provide a report to the Joint Committee on Finance on or before September 1, 2004, on supplies and services expenditures in 2003-04 relating to the funding provided (\$223,700) for the expanded responsibilities of the Office of Indian Gaming under the 2003 state-tribal gaming compact amendments.

[Act 33 Vetoed Section: 9101(12d)]

2. TRIBAL GAMING REVENUE FOR THE GENERAL FUND AND CURRENT ALLOCATIONS [LFB Papers 131, 132 and 134 thru 137]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Veto (Chg. to Leg)	Net Change
PR	\$0	\$1,000,000	\$0	\$0	\$1,000,000
GPR-REV	\$237,000,000	-\$79,322,400	-\$200,000	\$3,650,600	\$161,128,200

Governor: Provide that the first \$24,352,500 received in any fiscal year under the state-tribal gaming compacts be credited to the program revenue accounts that are credited with these receipts under current law. Require that receipts in excess of this amount would be credited to the general fund, except that not more than \$112,000,000 may be paid into the general fund in 2003-04 and not more than \$125,000,000 may be paid into the general fund in 2004-05 and any fiscal year thereafter. Indian gaming receipts in excess of the general fund deposits (\$112,000,000 in 2003-04 or \$125,000,000 in 2004-05 and any fiscal year thereafter) would be credited to the appropriation accounts that are credited with these receipts under current law.

Allocate, from the Indian gaming receipts appropriation in DOA, \$24,784,300 PR in 2003-04 and \$24,752,000 PR in 2004-05 for a variety of purposes (not including regulation and enforcement of Indian gaming), which are described in the following table.

Under current law, the Indian gaming receipts program revenue appropriation in DOA receives all state receipts relating to Indian gaming, less the amounts appropriated to DOA for general program operations relating to Indian gaming regulation under the compacts, and the Department of Justice (DOJ) for Indian gaming law enforcement. The revenue derives primarily from tribal payments to the state under 11 amended state-tribal gaming compacts, signed in 1998 and 1999. Under the amendments, each tribe makes additional annual payments to the state, not required under the original 1992 compacts, over a five-year period. The amounts vary by tribe and reflect the variation in total net revenue among the tribes. The amounts due under the 1998 and 1999 amendments total \$24.5 million in 2002-03, \$24.4 million in 2003-04, and decline to \$1.5 million in 2004-05. The decline in payments in 2004-05 reflect the end-dates of the current terms of the compacts, which range from August, 2003, to September, 2004.

Under the bill, the Governor, who is in the process of negotiating new amendments to the state-tribal gaming compacts, projects minimum tribal payments to the state totaling \$136.4 million in 2003-04 (\$24.4 million provided to current-allocation purposes and \$112 million provided to the general fund) and \$149.4 million in 2004-05 (\$24.4 million provided to current-allocation purposes and \$125 million provided to the general fund).

The allocations to state agencies proposed under the bill (\$24,784,300 in 2003-04 and \$24,752,000 in 2004-05) exceed the amount that would be specified as the "first-draw" on tribal gaming revenue in each fiscal year (\$24,352,500). The first-draw amount also does not appear to include the funding required for the DOA regulatory or DOJ enforcement activities.

Under the bill, the Governor recommends the allocation of tribal gaming revenues to 14 state agencies, including the Higher Education Aids Board (HEAB) that would be eliminated under the bill in 2004-05, in 42 program areas. These program areas are listed and briefly described in the following table. The two programs funded with tribal gaming revenue in HEAB (items 18 and 19 in the table below) would continue under the University of Wisconsin System (items 38 and 39). Three program areas identified in the table (items 1, 32 and 36) are not appropriated funding under the bill in the 2003-05 biennium, but are existing appropriation accounts under current law that can only be funded with tribal gaming revenue. Footnotes are provided to further clarify each allocation.

In all cases, the allocations made under the bill represent continued funding of programs funded with tribal gaming revenue in the 2001-03 biennium. No new programs would receive tribal gaming revenue under the bill. One allocation provided in the 2001-03 biennium (manufacturing extension center grants in the Department of Commerce) would be discontinued under the bill. Further, two allocations provided in the 2001-03 biennium to the Department of Justice for county-tribal law enforcement programs would be transferred to the Office of Justice Assistance in DOA. A more detailed description of these changes can be found in the budget summaries for these respective agencies.

2003-05 Tribal Gaming Revenue Allocations
Governor

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
1 Administration ¹	\$0	\$0	County management assistance grant program.
2 Administration--Office of Justice Assistance ²	2,078,000	2,078,000	County-tribal law enforcement and tribal law enforcement assistance grant programs.
3 Administration ³	250,000	250,000	UW-Green Bay and Oneida Tribe programs.
4 Agriculture, Trade and Consumer Protection ⁴	1,900,000	1,900,000	Grants to ethanol producers.
5 Arts Board ³	25,200	25,200	Grants-in-aid to, or contracts with, American Indian individuals or groups for services furthering the development of the arts and humanities.
6 Commerce ³	25,000	25,000	American Indian liaison, economic development liaison grants, and technical assistance.
7 Commerce ³	265,100	265,100	American Indian economic liaison and gaming grants specialist and program marketing.
8 Commerce ³	94,000	94,000	American Indian economic development technical assistance grants.
9 Commerce ³	3,238,700	3,238,700	Gaming economic development and diversification grants and loans.
10 Commerce ³	488,700	488,700	Physician, Dentist, Dental Hygienist and Health Care Provider Loan Assistance Programs.
11 Health and Family Services ³	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
12 Health and Family Services ³	120,000	120,000	Cooperative American Indian health projects.
13 Health and Family Services ³	271,600	271,600	Indian aids for social and mental hygiene services.
14 Health and Family Services ³	500,000	500,000	Indian substance abuse prevention education.
15 Health and Family Services ³	1,070,000	1,070,000	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
16 Health and Family Services ³	800,000	800,000	Health services: tribal medical relief block grants.
17 Health and Family Services ³	50,000	50,000	Minority health program and public information campaign grants.
18 Higher Education Aids Board ⁵	787,600	0	Indian student assistance grant program for American Indian undergraduate or graduate students.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
19 Higher Education Aids Board ⁵	\$404,000	\$0	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
20 Historical Society ³	189,800	189,800	Northern Great Lakes Center operations funding.
21 Natural Resources ⁶	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
22 Natural Resources ⁶	1,300,000	1,300,000	One-time transfer to the parks account of the conservation fund.
23 Natural Resources ³	100,600	100,600	Management of an elk reintroduction program.
24 Natural Resources ³	128,300	128,300	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
25 Natural Resources ³	100,000	100,000	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
26 Natural Resources ²	626,500	626,500	State snowmobile enforcement program, safety training and fatality reporting.
27 Natural Resources ³	44,700	44,700	Reintroduction of whooping cranes.
28 Natural Resources ³	500,000	500,000	Grant to the Town of Swiss (Danbury) in Burnett County and the St. Croix Band for wastewater and drinking water treatment facilities.
29 Natural Resources ⁷	20,000	20,000	Costs relating to the study and reintroduction of coaster brook trout.
30 Public Instruction ²	260,000	260,000	Aid to alternative schools operating American Indian language and culture education programs.
31 Public Instruction ³	50,000	50,000	Grant to Beloit College for educational programs on Native American cultures.
32 Shared Revenue ³	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2001-03 biennium.)
33 Tourism ³	129,700	129,700	One permanent position and limited-term employees to operate or staff Wisconsin travel information centers.
34 Tourism ³	3,969,500	3,969,500	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
35 Tourism ³	31,300	31,300	Law enforcement services at the Kickapoo Valley Reserve.
36 University of Wisconsin System ⁸	0	0	Ashland full-scale aquaculture demonstration facility debt service payments. (No allocations are made in the 2003-05 biennium.)
37 University of Wisconsin System ³	250,000	250,000	Ashland full-scale aquaculture demonstration facility operational costs.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
38 University of Wisconsin System ⁵	\$0	\$787,600	Indian student assistance grant program for American Indian undergraduate or graduate students.
39 University of Wisconsin System ⁵	0	404,000	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
40 Veterans Affairs ³	15,000	15,000	Grants to assist American Indians in obtaining federal and state veterans benefits.
41 Veterans Affairs ³	57,800	57,800	American Indian services veterans benefits coordinator position.
42 Veterans Affairs ²	193,200	160,900	Operational costs relating to the Wisconsin Veterans Museum.
43 Workforce Development ³	600,000	600,000	Grants for work-based learning programs.
44 Workforce Development ³	<u>350,000</u>	<u>350,000</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Total Allocations	\$24,784,300	\$24,752,000	

¹No funding is provided under the bill. DOA officials indicate that this was an oversight and that \$500,000 annually was intended to be allocated for this purpose.

²Base funding is modified under the bill and a more detailed description of the provision can be found in the budget summaries for this agency.

³Base funding is unchanged or modified by standard budget adjustments only. No additional description of the item is provided in the budget summaries for this agency.

⁴Tribal funding continues unchanged for this purpose, but other funding would be modified under the bill. A more detailed description of the provision can be found in the budget summaries for this agency.

⁵HEAB functions would be transferred to the UW System under the bill. Base funding for this purpose is continued and provided to HEAB in 2003-04 and the UW System in 2004-05.

⁶A greater transfer amount is provided under the bill than was provided in the 2001-03 biennium. A more detailed description of the provision can be found in the budget summaries for this agency.

⁷Base funding continues for this purpose, but the funding is appropriated under a different program to reflect a technical correction. A brief description of the provision can be found in the budget summaries for this agency.

⁸The appropriation for this purpose has no base funding and no funding is provided under the bill in the 2003-05 biennium. However, the appropriation was not included from the Chapter 20 schedule under the bill and will need to be restored.

Joint Finance: Delete provisions specifying in statute the first-draw and maximum general fund revenue amounts for tribal gaming revenues. Provide that tribal gaming revenue receipts would be transferred in an amount sufficient to fund the statutory allocations made from the Indian gaming receipts appropriation, the amounts appropriated for DOA tribal gaming regulatory functions, and the amounts appropriated for DOJ tribal gaming enforcement activities, plus required reserves. Specify that any remaining unobligated revenue would be deposited in the general fund.

Decrease general fund revenue by \$33,594,500 in 2003-04 and \$45,727,900 in 2004-05 attributable to tribal gaming payments to the state to reflect anticipated receipts under the 2003 amendments to the state-tribal gaming compacts.

Make the following modifications to allocations of tribal gaming revenue to state agencies to distribute a total of \$24,630,300 PR annually.

1. *Administration: County Management Assistance Grant Program.* Provide \$500,000 annually to DOA for the county management assistance program appropriation. [The PR fiscal effect of this provision is reflected under the fiscal change entry for this item.]

2. *Administration -- Office of Justice Assistance (OJA): County-Tribal law Enforcement Grants [LFB Paper 134].* Delete \$1,128,000 annually from OJA to reflect the Committee's action to: (a) provide \$778,000 annually to the Department of Justice DOJ to retain a cooperative county-tribal law enforcement grant program in DOJ (current law); and (b) to reduce funding for tribal law enforcement grants in OJA by \$350,000 annually. Under this action, OJA would receive \$950,000 annually for two appropriations, as follows: (a) \$250,000 annually for county law enforcement grants; and (b) \$700,000 annually for tribal law enforcement grants. [See "Administration -- Office of Justice Assistance" for the provisions and PR fiscal effect of this item.]

3. *Administration: Local Revenue Sharing Boards.* Provide \$225,300 annually to reimburse local jurisdictions for casino-related service costs as determined by local revenue sharing boards. [The provisions and PR fiscal effect relating to local revenue sharing boards are summarized in Item #3 below.]

4. *Agriculture, Trade and Consumer Protection: Ethanol Producer Grants Program [LFB Paper 135].* Provide an additional \$1,000,000 annually for grants to ethanol producers.

5. *Arts Board: Grants to Native Americans for the Development of the Arts and Humanities.* Delete \$25,200 annually and the related appropriation and statutory language from the Arts Board, which currently provides state aid for arts grants for American Indian individuals, groups, organizations, institutions, or tribal governments.

6. *Commerce: Native American Liaison Grants.* Delete \$25,000 annually to eliminate funding for Native American liaison grants to the Great Lakes Intertribal Council (GLITC).

7. *Commerce: Economic Liaison and Grants Administration.* Delete \$132,600 and 1.0 position annually to reduce funding and positions for the Department's liaison and administration of gaming economic development and diversification grants and loans.

8. *Commerce: Gaming Economic Development and Diversification Grants and Loans.* Delete \$400,000 annually to reduce funding for grants and loans relating to gaming economic development and diversification.

9. *Health and Family Services: Minority Health Program.* Provide \$100,000 annually to support grants to community-based organizations under the minority health program.
10. *Justice: Cooperative County-Tribal Law Enforcement Program [LFB Paper 134].* Provide \$778,000 annually for the cooperative county-tribal law enforcement grant program. Funding includes \$708,400 annually for local assistance grants and \$69,600 annually for state operations costs associated with the program.
11. *Natural Resources: Transfer to the Parks Account [LFB Paper 136].* Transfer \$650,000 annually (rather than \$1,300,000 under the bill) from tribal gaming revenues to the segregated parks account of the conservation fund each year of the 2003-05 biennium only.
12. *Natural Resources: Snowmobile Warden Transfer [LFB Paper 137].* Provide an additional \$399,500 annually for the state snowmobile enforcement program. In addition, provide \$500,000 annually for local snowmobile trail aids.
13. *Natural Resources: Danbury/St. Croix Chippewa Grant.* Delete \$250,000 each year for the grant to the Town of Swiss (Danbury) in Burnett County and to the St. Croix Band of Chippewa Indians for wastewater and drinking water treatment facilities. A grant of \$250,000 annually would remain.
14. *Natural Resources: Coaster Brook Trout Reintroduction.* Delete \$20,000 annually to eliminate funding for coaster brook trout reintroduction efforts.
15. *Public Instruction: Aid to Alternative Schools.* Delete \$260,000 annually from DPI and eliminate the alternative school American Indian language and culture education categorical aid program.
16. *Public Instruction: Grant to Beloit College.* Delete \$50,000 annually from DPI and eliminate the grant to Beloit College for Native American culture education.
17. *University of Wisconsin System: Aquaculture Facility.* Delete \$150,000 annually from the University of Wisconsin System's appropriation to reduce funding for the operation and maintenance of the UW aquaculture demonstration facility.
18. *Veterans Affairs: Grants to Assist American Indians.* Convert \$15,000 annually in the Department of Veterans Affairs for grants to assist American Indians in obtaining federal and state veterans benefits to funding from the veterans trust fund.
19. *Veterans Affairs: Benefits Coordinator.* Convert \$57,800 and 1.0 position annually in the Department of Veterans Affairs for an American Indian services veterans benefits coordinator position to funding from the veterans trust fund.

20. *Wisconsin Technical College System Board (WTCSB): Grants for Work-Based Learning Programs.* Delete \$300,000 annually to reduce grants to tribal colleges for work-based learning programs. (This program was transferred from the Department of Workforce Development to the WTCSB by prior Committee action.)

Senate/Legislature: Allocate \$24,730,300 PR annually in tribal gaming revenue. Modify the allocations under Joint Finance by providing \$100,000 PR annually to DWD from tribal gaming revenue to fund grants, as follows: (a) \$50,000 annually to organizations that assist persons of Southeast Asian origin with compulsive gambling issues; and (b) \$50,000 annually to organizations that assist persons who are African-American with compulsive gambling issues. The remaining tribal gaming revenue (\$78,305,500 PR in 2003-04 and \$79,172,100 PR in 2004-05) would be deposited in the general fund. These general fund revenues are \$100,000 annually less than amounts provided by Joint Finance.

Veto by Governor [A-29, B-3, B-13, B-24, and D-4]: The following partial vetoes reflect changes to the allocation amounts or statutory provisions relating to tribal gaming revenue approved by the Legislature:

1. *Administration: Local Revenue Sharing Boards for the Reimbursement of Casino-Related Costs.* Delete \$225,300 annually in tribal gaming revenue and the associated sum sufficient PR appropriation for this purpose. The partial veto eliminates this program in its entirety.

2. *Agriculture, Trade and Consumer Protection: Grants to Ethanol Producers.* Reduce funding from tribal gaming revenue by \$1,000,000 annually. As a result of the veto, Act 33 provides \$1,900,000 annually for grants to ethanol producers from tribal gaming revenue.

3. *Commerce: Native American Liaison Grants.* Eliminate the repeal of the American Indian economic liaison grant program and the associated appropriation. In his veto message, the Governor indicates that retention of the program would allow Commerce to request funding at a future date.

4. *Natural Resources: Local Snowmobile Trail Aids.* Delete \$500,000 annually in tribal gaming revenue and the associated PR annual appropriation.

5. *Workforce Development: Compulsive Gambling Grants.* Delete \$100,000 annually from tribal gaming revenue and the associated PR annual appropriations, as follows: (a) \$50,000 annually to organizations that assist persons of Southeast Asian origin with compulsive gambling issues; and (b) \$50,000 annually to organizations that assist persons who are African-American with compulsive gambling issues. The partial veto eliminates this program in its entirety.

These partial vetoes and the programs they affect are summarized in greater detail under the respective agency summaries. As a result of the Governor's partial vetoes, Act 33 allocates \$22,905,000 PR annually in tribal gaming revenue. Further, an additional \$1,825,300 of tribal gaming revenue in each fiscal year will be credited to the general fund. Under Act 33, general

fund revenue from tribal gaming is estimated at \$80.1 million in 2003-04 and \$81.0 million in 2004-05. The following table lists the tribal gaming revenue allocations under Act 33.

**2003-05 Tribal Gaming Revenue Allocations
Act 33**

<u>Department</u>		<u>Program Revenue</u>		<u>Purpose</u>
		<u>2003-04</u>	<u>2004-05</u>	
1	Administration	\$500,000	\$500,000	County management assistance grant program.
2	Administration--Office of Justice Assistance	250,000	250,000	County-tribal law enforcement assistance grant program.
3	Administration--Office of Justice Assistance	700,000	700,000	Tribal law enforcement assistance grant program.
4	Administration	250,000	250,000	UW-Green Bay and Oneida Tribe programs.
5	Agriculture, Trade and Consumer Protection	1,900,000	1,900,000	Grants to ethanol producers.
6	Commerce	132,500	132,500	American Indian economic liaison and gaming grants specialist and program marketing.
7	Commerce	94,000	94,000	American Indian economic development technical assistance grants.
8	Commerce	0	0	American Indian liaison, economic development liaison grants, and technical assistance.
9	Commerce	2,838,700	2,838,700	Gaming economic development and diversification grants and loans.
10	Commerce	488,700	488,700	Physician, Dentist, Dental Hygienist and Health Care Provider Loan Assistance Programs.
11	Health and Family Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
12	Health and Family Services	120,000	120,000	Cooperative American Indian health projects.
13	Health and Family Services	271,600	271,600	Indian aids for social and mental hygiene services.
14	Health and Family Services	500,000	500,000	Indian substance abuse prevention education.
15	Health and Family Services	1,070,000	1,070,000	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
16	Health and Family Services	800,000	800,000	Health services: tribal medical relief block grants.
17	Health and Family Services	150,000	150,000	Minority health program and public information campaign grants.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
18 Higher Education Aids Board	\$787,600	\$787,600	Indian student assistance grant program for American Indian undergraduate or graduate students.
19 Higher Education Aids Board	404,000	404,000	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
20 Historical Society	189,800	189,800	Northern Great Lakes Center operations funding.
21 Justice	708,400	708,400	County-tribal law enforcement programs: local assistance.
22 Justice	69,600	69,600	County-tribal law enforcement programs: state operations.
23 Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
24 Natural Resources	650,000	650,000	One-time transfer to the parks account of the conservation fund.
25 Natural Resources	100,600	100,600	Management of an elk reintroduction program.
26 Natural Resources	128,300	128,300	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
27 Natural Resources	100,000	100,000	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
28 Natural Resources	1,026,000	1,026,000	State snowmobile enforcement program, safety training and fatality reporting.
29 Natural Resources	44,700	44,700	Reintroduction of whooping cranes.
30 Natural Resources	250,000	250,000	Grant to the Town of Swiss (Danbury) in Burnett County and the St. Croix Band for wastewater and drinking water treatment facilities.
31 Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2001-03 biennium.)
32 Tourism	129,700	129,700	One permanent position and limited-term employees to operate or staff Wisconsin travel information centers.
33 Tourism	3,969,500	3,969,500	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
34 Tourism	31,300	31,300	Law enforcement services at the Kickapoo Valley Reserve.
35 University of Wisconsin System	0	0	Ashland full-scale aquaculture demonstration facility debt service payments. (No allocations are made in the 2003-05 biennium.)
36 University of Wisconsin System	100,000	100,000	Ashland full-scale aquaculture demonstration facility operational costs.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
37 Wisconsin Technical College System Board	\$300,000	\$300,000	Grants for work-based learning programs.
38 Workforce Development	<u>350,000</u>	<u>350,000</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Total Allocations	\$22,905,000	\$22,905,000	

[Act 33 Sections: 605 and 2633m]

3. LOCAL REVENUE SHARING BOARDS FOR THE REIMBURSEMENT OF CASINO-RELATED COSTS

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
PR	\$450,600	- \$450,600	\$0

Joint Finance/Legislature: Create a sum sufficient appropriation under DOA to make payments from tribal gaming revenue not to exceed \$225,300 in a fiscal year to local revenue sharing boards, as provided below. Require the creation of a four-member local revenue sharing board by the city, village, or town, and by the county, in which a Class III gaming facility (tribal casino) is located. Require the governing bodies of these political subdivisions to enact an ordinance creating the board with the members of the board appointed, as follows: (a) one member appointed by the governing body of the city, village, or town in which the facility is located; (b) one member appointed by the county board of the county in which the facility is located; (c) one member appointed by the members of the public safety group, described below; and (d) one member appointed by the governing body of the political subdivision that is most impacted by the facility, other than the political subdivisions specified in (a) or (b), as determined by the appointed members under (a), (b) and (c). Provide that, not more than once every two years, a majority of the board members may select a different political subdivision under (d) and the governing body of that political subdivision would appoint one member to the board.

Require that all political subdivisions whose public safety entities are obligated to provide services to a particular facility establish a group that is made up of the highest ranking member of each public safety entity [this group would appoint one member under (c) above]. Define public safety entities as all of the following departments, agencies, or subunits of a political subdivision that are obligated to provide services to a particular facility: (i) a fire department; (ii) an emergency medical services department, whose personnel include a licensed emergency medical technician, a certified first responder, or other personnel who operate or staff an ambulance or authorized emergency vehicle; and (iii) a governmental unit of one or more persons employed full time by a political subdivision for the purpose of preventing and

detecting crime and enforcing state laws or local ordinances, and the employees of this unit are authorized to make arrests for crimes while acting within the scope of their authority.

Provide that each member of the board would serve at the pleasure of the governing body or group that appoints the individual, except that the public safety group member's term would end upon the selection of a new member, who would serve at the pleasure of the public safety group.

Provide that the board would select from among its members a president, vice president, and secretary-treasurer. Specify that meetings of the board may be called by the president or by any other member of the board, and must be held in a building in which the governing body of a political subdivision holds its meetings. Provide that a member of the board may not receive any compensation for serving on the board, but must be reimbursed by the political subdivision that appoints or confirms the member for any actual and necessary expenses that he or she incurs relating to service on the board. This reimbursement must be apportioned among the political subdivisions associated with the public safety group for the member appointed by the public safety group.

Require the board to establish an account at a financial institution and to deposit into the account any tribal gaming revenues received directly from a tribe or from the state. Provide that all four members of the board constitute a quorum, and a majority of a quorum may act in any matter within the jurisdiction of the board.

Require that the board annually determine the costs incurred by each political subdivision that provides services to a tribal casino. Provide that the total amount of these costs may be certified to DOA.

Provide that the governing bodies of each political subdivision represented on the board must enter into an intergovernmental cooperation agreement that addresses at least all of the following: (a) the public safety entities, including police, fire, and rescue services, that are to receive payments from tribal gaming revenue and the apportionment formula among the political subdivisions; (b) a method to determine the costs incurred by each political subdivision as a result of the development of the facility, for the purpose of apportioning any tribal gaming revenue payments; (c) the apportionment formula among the political subdivisions for any payments of tribal gaming revenue; and (d) a mechanism to provide any supplies that are needed by the board.

If a state-tribal gaming compact requires payments to a political subdivision, provide that such payments must be sent to the local revenue sharing board. If a compact does not require payments to a political subdivision, provide that DOA would be required to pay annually to the board, from the Indian gaming receipts appropriation, the amount certified by a local revenue sharing board. If a compact requires payments to a political subdivision and such payments are less than the amount certified by a local revenue sharing board, require DOA to pay annually to the board, from the Indian gaming receipts appropriation, an amount equal to the difference

between the amount certified by a board and the amount that is paid to the political subdivision under the compact.

Require that the local shared revenue board make annual disbursements, in the following order, from the tribal gaming revenue amounts deposited into the board's financial institution account for this purpose: (a) to public safety entities, based on costs incurred, and based on the apportionment formula contained in the board's intergovernmental cooperation agreement; (b) to each political subdivision that is represented on the board, an amount equal to the amount that the political subdivision would have received, in the year to which the payment relates, in property taxes on the facility, if the facility had been subject to property taxes; and (c) to each political subdivision that is represented on the board, any funds that remain in the account after making these payments, based on the apportionment formula contained in the board's intergovernmental cooperation agreement.

Provide that if a tribal gaming facility ceases operation and after the facility makes its last payment to the board's account, the board would be required to distribute the balance in the account to each political subdivision that is represented on the board, based on the apportionment formula contained in the board's intergovernmental cooperation agreement. Provide that after the board distributes all funds in the account, the board would be dissolved.

Stipulate that these provisions would not apply to 1st class cities or to counties with a population of at least 500,000.

Veto by Governor [D-4]: Delete the entire provision. As a result of the veto, an additional \$225,300 of tribal gaming revenue in each fiscal year will be deposited in the general fund. This revenue change is reflected under Item #2 above.

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.505(8)(k)), 615m, 615r, and 1531m]

4. REPEAL OF ONE-TIME TRIBAL GAMING REVENUE APPROPRIATIONS [LFB Paper 133]

Joint Finance/Legislature: Repeal the following appropriations and any associated statutory language: (a) the Historical Society appropriation for the identification of unmarked Indian gravesites [s. 20.245(1)(hm) of the statutes]; (b) the Historical Society appropriation for the Merrill Historical Society for a native tribal history publication [s. 20.245(1)(hr) of the statutes]; (c) the DNR appropriation for a study of crop damage by wild cranes [s. 20.370(1)(kk) of the statutes]; and (d) the DPI appropriation for special counselor grants [s. 20.255(2)(kL) of the statutes]. The appropriations received one-time funding from tribal gaming revenue in the 2001-03 biennium, but were not deleted under the Governor's recommendations.

[Act 33 Sections: 346m, 346n, 351j, 398r, 609m, 610c, 615e, 615f, and 1995d]

5. MODIFIED ENFORCEMENT OF VIDEO GAMBLING IN TAVERNS

Joint Finance/Legislature: Authorize the Department of Revenue (DOR) to enforce certain gambling laws relating to commercial gambling, the use of premises for commercial gambling, and dealing in gambling devices that involves not more than five video gambling machines on premises for which a Class "B" or "Class B" license or permit has been issued under Chapter 125 of the statutes.

Provide that no law enforcement officer, other than a law enforcement officer who is a special agent of DOR, may investigate violations of, or otherwise enforce gambling laws relating to, commercial gambling, the use of premises for commercial gambling, and dealing in gambling devices that involves not more than five video gambling machines on premises for which a Class "B" or "Class B" license or permit has been issued under Chapter 125 of the statutes.

Repeal the authority of the Department of Justice to enforce gambling laws relating to commercial gambling and the use of premises for commercial gambling that involves not more than five video gambling machines on premises for which a Class "B" or "Class B" license or permit has been issued under Chapter 125 of the statutes.

Provide that if a DOR special agent has reasonable grounds to believe that the person is violating or has violated these gambling laws, the special agent must cause the person to be arrested and the documents and reports pertaining to the arrest to be delivered to the chief of police or sheriff in the jurisdiction in which the arrest is made.

[Act 33 Sections: 1623g thru 1623r, 2043z, 2099f thru 2099v, and 2120m]

6. TEMPORARY REPEAL OF SIMULCAST WAGERING PROVISION

Joint Finance/Legislature: Repeal the simulcast racing and intertrack wagering provision that requires that wagering on simulcast races must be conducted at a racetrack only as an adjunct to, and not in a manner that will supplant, wagering on live on-track racing at that racetrack, and wagering on simulcast races must not be the primary source of wagering revenue at that racetrack.

Effective January 1, 2007, provide that wagering on simulcast races must be conducted at a racetrack only as an adjunct to, and not in a manner that will supplant, wagering on live on-track racing at that racetrack, and wagering on simulcast races must not be the primary source of wagering revenue at that racetrack.

The effect of this provision is a temporary repeal of the current law limitations on simulcast wagering on the effective date of the bill, until January 1, 2007.

[Act 33 Sections: 2629d, 2629e, and 9401(2x)]